

313078

JPRS-NEA-84-151

9 October 1984

Near East/South Asia Report

Reproduced From
Best Available Copy

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

19990929 148

DATE QUALITY INSPECTED

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

5
121
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

9 October 1984

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

REGIONAL AFFAIRS

INTERNATIONAL AFFAIRS

Arab Development of Red Sea Seen Strategically Important (Ahmad Baha'-al-Din; AL-MUSTAQBAL, No 391, 18 Aug 84).....	1
Sudanese-Egyptian Integration Efforts Making Progress (Usamah Ghayth; AL-TADAMUN, No 72, 25 Aug 84).....	8

ARAB AFRICA

EGYPT

Siraj-al-Din's Brother Joins National Democratic Party (AL-MUSTAQBAL, No 392, 25 Aug 84).....	11
Al-Mahjub Discusses International Relations, Domestic Issues (Rif'at al-Mahjub Interview; AL-MAJALLAH, No 238, 1-7 Sep 84).....	12
Contemporary Nasirite Views Analyzed (Wahid Ghazi; AL-AHRAR, 23 Jul 84).....	21
Opposition Asks for Changes in Controversial Legislation (AL-SHARQ AL-AWSAT, 1 Aug 84).....	24
Plan To Set Up Industrial Zone in North Sinai Reported (Wafa' 'Azarah; AL-AKHBAR, 22 Jul 84).....	27
Libyan Plot To Sabotage High Dam, Role in Red Sea Mining Alleged (Ahmad Shukri; AL-DUSTUR, No 338, 3 Sep 84).....	28

MOROCCO

Leading Politician, Party Head Ahmed Osman Interviewed (Ahmed Osman Interview; AL-TADAMUN, No 66, 14 Jul 84).....	31
Party Leader Yata Calls for Change in Government Policy Direction (Ali Yata Interview; AL-MUSTAQBAL, No 390, 11 Aug 84)....	37

ARAB EAST/ISRAEL

IRAQ

III Corps Commander Discusses Delay of Iranian Attack (Mahir 'Abd-al-Rashid Interview; AL-DUSTUR, No 335, 13 Aug 84).....	41
Southern Governorates Carry Out Road, Bridge Projects (Hamdi Karim Muhammad; AL-JUMHURIYAH, 13 Jul 84).....	43
Telephone Services Being Improved Throughout Iraq (Adil al-'Ardawi; AL-JUMHURIYAH, 20 Jun 84).....	45
New Bridges Built in Baghdad, Governorates (AL-JUMHURIYAH, 23 Jun 84).....	47
Roads Paved, Swamps Drained in Al-Nasiriyah (Majid Hamid al-'Ayid Interview; AL-JUMHURIYAH, 24 Jun 84).....	49

ISRAEL

Foreign Debt Reaches \$17.5 Billion (Shraga Mekel; MA'ARIV, 25 Jul 84).....	53
Health Ministry To Improve Food Quality, Safety (HATZOFI, 25 Jul 84).....	55
Increase in Resistance to Career Military Service Noted (Michael Garrity; HA'ARETZ, 27 Jul 84).....	57
Briefs	
Scientific Product Exports	61
Alarming Traffic Statistics	61
Unemployment Statistics	62

KUWAIT

Factors Contributing to Economic Slowdown Discussed (AL-IQTISAD WA AL-A'MAL, Jun 84).....	63
Injustice, Corruption Scored (Isma'il al-Shatti; AL-MUJTAMA', 24 Jul 84).....	67

Dispute With Lloyds Over Insurance Rates Examined (AL-MUSTAQBAL, No 389, 4 Aug 84).....	69
LEBANON	
Illegal Ports Have Mixed Effects on National Economy (AL-TADAMUN, No 69, 4 Aug 84).....	72
Key Figures Boycott Meeting on Christian Refugees (AL-MUSTAQBAL, No 390, 11 Aug 84).....	74
SAUDI ARABIA	
Slowdown in Industrial Investments Discussed (AL-IQTISAD WA AL-A'MAL, No 6, Jun 84).....	76
Water Projects in Eastern Province Reviewed (AL-SHARQ AL-AWSAT, 4 Aug 84).....	82
SYRIA	
Premier Lays Cornerstone for Al-Ladhiqiyah Dam (SYRIA TIMES, 25 Jul 84).....	86
Irrigation Minister Visits Dar'a Projects (SYRIA TIMES, 20 Aug 84).....	87
Transport Officials Review Rail Net Expansion (Hisham Boukhari; SYRIA TIMES, 13 Aug 84).....	88
SOUTH ASIA	
IRAN	
Rafsanjani: Next Generation Will Reap Fruits of Revolution (KEYHAN, 30 Aug 84).....	90
Azerbaijan's Barren Lands Being Cultivated (KEYHAN, 30 Aug 84).....	93
PAKISTAN	
Korean Delegations To Visit (DAWN, 11 Sep 84).....	94
Local Bodies Said Playing Political Role (Husain Naqi; VIEWPOINT, 30 Aug 84).....	95
Federal Cabinet Approves Revival of RCD (DAWN, 11 Sep 84).....	96

Commentary on Reactivating RCD (Editorial; DAWN, 16 Sep 84).....	98
Decision on Islamic Monetary Fund Soon (DAWN, 11 Sep 84).....	100
Manpower Team To Visit Middle East (DAWN, 13 Sep 84).....	101
Aspects of Islamic Banking Discussed (Sultan Ahmed; DAWN, 13 Sep 84).....	102
Manufacturing Units Proposals Received From Several Countries (DAWN, 20 Sep 84).....	105
Islamic Investment Company Planned (DAWN, 20 Sep 84).....	106
Plan Being Considered To Subsidize Land Reclamation (DAWN, 11 Sep 84).....	107
Agricultural Team Refused Visas to India (DAWN, 13 Sep 84).....	108
Big Downstream Projects Approved (DAWN, 13 Sep 84).....	109
Yugoslavia To Help Boost Corn Output (DAWN, 20 Sep 84).....	110
National Library To Start Next Year (DAWN, 16 Sep 84).....	112
Bar Association Criticizes Qisas, Diyat Laws (DAWN, 16 Sep 84).....	113
Briefs	
Punjab Reverts to 6-Day Week	114
Commandos To Guard Trains	114
Lawyers' Release Demanded	114
Anti-Dacoit River Force	114
Case Against Fazlur Rehman	115

ARAB DEVELOPMENT OF RED SEA SEEN STRATEGICALLY IMPORTANT

Paris AL-MUSTAQBAL in Arabic No 391, 18 Aug 84 pp 8-11

[Article by Ahmad Baha'-al-Din: "Serious Questions Raised By the Red Sea Mining Incidents"]

[Text] I don't know why Cairo maintained silence for more than a full week after the first mining incident in the Suez Gulf and the Red Sea. I don't know whether this silence was a government decision or a journalistic one made by the Cairo press. But in my opinion, one thing is sure: it was not the right decision. The absence of any mention of these mining incidents in the Cairo press for such a long time, when the world press was full of news about them, makes a person ask who Egypt is hiding information from. The outside world, which is affected by the security of the canal and the Red Sea, has been publishing this news on its front pages and at the beginning of its radio and television broadcasts. Even if this news had not been published in the world press, those most concerned about the matter, i.e. tanker companies, maritime insurance companies, and foreign countries, all would have known about it as soon as it happened.

This policy of silence was partly due to the fact that the first mining incident was disregarded and its full significance was not grasped. It may also have been due to a lack of awareness that the matter was larger than it seemed, and to a desire to minimize the importance of the incident, which consisted of three explosions occurring on a Soviet ship.

I remember that at the time, the Cairo papers quoted some officials as saying that the Soviet ship had reported that the explosions took place on the ship, and that after the matter was investigated the ship resumed its voyage. In this world, policymakers must consider the possible and logical as well as the impossible and illogical. If only the officials had paid more attention to the situation at that time, the subsequent explosions might have been averted.

It is also noteworthy that for the first time Khomeini broke his usual silence on such occasions, to personally deny Iran's connection with the Red Sea mining incidents and with the airplane hijackings. In my opinion, he was basically talking about the Red Sea mining incidents, for otherwise he would have denied Iran's involvement in the plane incidents a long time ago. I

don't want to be unfair to Khomeini; perhaps his denial was directed at some of his supporters, who are perpetrating acts which do not actually serve Iranian foreign policy but may actually harm it. But there is a more important reason, which brings us to another question: Why were there no explosions within the Suez Canal?

The Egyptian authorities are entitled to attribute this to their strict vigilance over everything which happens in the Suez Canal. But this is not a good enough reason, because any degree of vigilance in any country of the world can always be breached. The dropping of some mines by a ship passing through the canal is always a possibility, no matter how watchful the authorities.

The most important reason, which has not yet been commented on sufficiently, is that the Treaty of Constantinople gives Egypt the right to inspect any ship suspected of harming navigation in the canal, and if there is sufficient reasonable evidence, to prohibit passage to any ship belonging to, or even going to, the suspected country.

This means, for example, that if Iran was proven to have any connection with mines in the Suez Canal, Egypt, and the whole world as well, would be legally entitled to prohibit any Iranian ship, and therefore any ship going to or coming from Iranian ports, from passing through the Suez Canal.

The Suez Canal is a bottleneck for Iran, especially at this time, because all the weapons going to Iran pass through the Mediterranean and the Suez Canal, as does much of the petroleum exported by Iran. Consequently, closing the Suez Canal to Iran-bound navigation, be it weapons or food or petroleum, would strike an extremely severe blow to Iran's present political, economic and military situation. Therefore, the party laying these mines does not want to put one in the Suez Canal, because of the possibility of blowing up a ship and blocking traffic through the canal, and consequently causing direct harm to Iran and its supporters. Alternatively, if this did not happen, the direction of suspicion towards Iran or one of the countries supporting it might lead to the adoption of completely legal measures to prohibit their ships from passing through the canal. For this reason, we see that most of the explosions have taken place outside the canal, in the Suez Gulf and the Red Sea. In my opinion, Khomeini, for the first time in his life, is personally denying acts attributable to Iran, because the Iranian government knows that if these charges were proven in one form or another, this measure, so dangerous for Iran's political and military situation, might be taken.

In this context, I recall attending a seminar on the Red Sea held in London about 2 years ago, conducted jointly by Cambridge University and the Arab Research Center. The seminar's studies revolved around the shift of the center of anticipated incidents to the Red Sea. There was a lot of talk, and many important studies were presented, some of which were published. I may have referred to some of them in this column in AL-MUSTAQBAL. But conferences usually do not arouse the concern of policymakers in various countries as much as bombs and explosives do, when they actually happen.

Therefore, one can't help sharing the amazement felt by the rest of the world, especially all the Arab Mediterranean and Red Sea Countries, at these mining incidents, and at the immediate transfer of the flash point from the Gulf to the Red Sea.

The Red Sea is the youngest of the world's oceans, (if the expression may be allowed, since it has of course existed for millions of years), being the result of a volcanic rift which separated the Arabian Peninsula from the African continent. But it was a completely closed gulf, just like the Arab Gulf, until a little more than 100 years ago. The opening of the Suez Canal made it one of the world's oceans, and transformed it into one of the most important international corridors and an important artery between East and West.

As well as being considered the youngest sea, its surrounding geography is unique, perhaps because it was a mere gulf for thousands of years. It is surrounded by deserts and arid mountains on both sides. It has the least population and the fewest ports of all the world's oceans. Even now, in spite of its present importance, we find that in comparison with its size, it has very few ports suitable for import-export activities--Suez, Jiddah, Port Sudan, Musawwa', and al-Hudaydah. This last port is situated at the entry to the Red Sea, not in the Red Sea itself. Besides these ports, there are only small beachheads or obscure guardposts, which serve only to show the states' flags along the coastlines, no more and no less.

Many people do not realize that ever since the Suez Canal was opened and large quantities of petroleum were discovered in the Arab Gulf, there has been a direct, organic link between the Gulf and the Red Sea. The two resemble two arms flanking the land mass under which lies the world's largest petroleum reserves. A stoppage of petroleum from the Gulf for one reason or another would render the Red Sea, and therefore the Suez Canal, virtually useless, since the shipping traffic is almost completely oil transport. Also, blocking or hindering navigation in the Red Sea and the Suez Canal would place a huge additional burden on petroleum transport from the Arab Gulf.

For this reason, when it comes to future considerations, which are the concern of many agencies, policy makers can be expected to keep a close eye on this connection, and to be prepared for any eventuality, now that the situation in the Gulf war has become critical and the possibility has arisen that it will affect petroleum exports from the Gulf.

In the last few years, the Red Sea has become a bit livelier. Or, perhaps we should begin somewhat earlier than that, because the first important change in the Red Sea, after the opening of the Suez Canal and the discovery of petroleum, was the arrival of Israel at the village of Umm Rashrash, which is now the port of Eilat. History tells us that Ben Gurion, the Israeli leader then, violated United Nations resolutions for the first time and refused all telegrams from his delegate and foreign minister at the United Nations, Moshe Sharit, after Israel had been a member of the United Nations for only a few months, in order to break the first truce of 1948 and invade the Negev. But his basic aim was to reach Umm Rashrash, which became the port of Eilat, thereby making Israel a Red Sea nation.

The Red Sea is 99 percent Arab, and is actually 100 percent Arab. The only non-Arab nations along it now are Israel, in this remote corner at the end of the Gulf of 'Aqabah, and Ethiopia, through its occupation of Arab Islamic territory in Eritrea.

In his memoirs, Ben Gurion recalls how, after the first joint defense treaty between Israel and the surrounding Arab states was signed in the Fifties, he flew to Washington to get America to put secret pressure on several states to enter into a secret alliance with Israel, and how this alliance was actually created, consisting of Iran (under the Shah's rule), Turkey (Ben Gurion said that Turkey turned around and quickly withdrew from this alliance), and Ethiopia (under the rule of Haile Selassie).

Israel was thinking of its strategic position and of the windows which it wanted to open on the Red Sea. When it found itself surrounded by an alliance, it wanted to build a wall to hold back the alliance encircling it. It was concerned with two countries in particular: Iran, on the Gulf, and Ethiopia, at the southern end of the Red Sea.

I mention this in passing, as an example to those who think strategically in the true sense of the word. That is, they think of the next 20 or 30 or more years, and do not formulate their policy day by day, and therefore don't realize the dangers until they actually happen.

After this came the 1973 war.

Israel was surprised to find that its control over Sinai, its presence in the Red Sea, and its success in opening up the Gulf of 'Aqabah to its navigation did not prevent the closing of the Bab al-Mandab, at the other end of the Red Sea, to its ships, by Egyptian submarines stationed in that area throughout the 1973 war. Right after that, Israeli-Ethiopian relations were resumed, and there was much talk about an Israeli presence on some of the islands at the southern entrance to the Red Sea. The reader might find it most amazing that the Arab states til now do not have any detailed maps of the small, rocky, uninhabited islands located at the southern entrance to the Red Sea. Without a doubt America and the Soviet Union have satellite pictures of them, and therefore we assume that Israel must have obtained photographs of them from the United States. For this reason, we find that many official Arab sources stress two things. First, there is an Israeli presence there, whether in the form of limited armed forces or in the form of observation posts on some of these islands, under Ethiopian protection. Secondly, we have no accurate knowledge of the matter!

In passing, we must mention the sudden shift of international struggle to the African continent in the early part of our era. When the Ethiopian coup occurred, we saw something that had never happened before: the airlifting of Soviet forces far beyond their borders, in order to back up the new Ethiopian revolution, and Somalia's subsequent shift from an alliance with the Soviet Union to an alliance with America. We don't want to go into the details of the kindling of conflict in Africa, but we can say that it adds another angle to the rapidly increasing importance of the Red Sea, which as we have said is virtually an Arab sea.

Furthermore, shortly after the 1973 war, the Kingdom of Saudi Arabia became aware of the importance of the Red Sea, and for the first time began extensive development of the Red Sea coastlines, especially the Yanbu' Port project, transforming it into a major international port and industrial area. This was accompanied by an increase in the area's population density for the first time in history.

As for the Egyptian coast on the opposite side of the Red Sea, the construction of the High Dam was followed by a decisive, strategic decision to build a port in the Ra's Banas area on the Red Sea coast, on a line with Aswan, to serve as an outlet for the Aswan industrial area. But this Egyptian project is still under study, and has made no progress since 1957.

In addition to the Kingdom of Saudi Arabia's development activity in the Yanbu' area and perhaps other areas along the Red Sea, resulting from an awareness of their significance, there has been another development: a conference held by Saudi Arabia and the Sudan on exploiting Red Sea resources in the area between the two countries' coastlines.

A joint authority was set up, and preliminary operations in prospecting for Red Sea resources were actually begun. At the time, this trend was attacked from two directions. On the one hand, some parties said that the Red Sea is an international body of water, and no two nations have the right to consider the entire sea their own territorial waters, nor to come to an agreement which would affect the entire Red Sea. The second attack held that the big American companies which want to prospect for petroleum and other minerals and resources which the Red Sea has been proven rich in are the ones who would benefit from this agreement. But sound thinking says that this agreement has its place, regardless of the international legal difficulties which it might stir up some day.

Whoever follows Israeli studies knows that for a long time, ever since its arrival at Umm al-Rashrash and its establishment of Eilat Port, Israel has been concerned about the Red Sea resource issue, because since it is an international sea, any state is entitled to prospect in any part lying outside the territorial waters of the states along its shores. If Israel intends to prospect, this would create an Israeli presence which might develop into a complete geographic, economic, military and security collaboration from one end of the Red Sea to the other.

For this reason, for the Arab Red Sea states to reach an understanding with international companies of whatever nationality in order to begin drilling and prospecting in as many places as possible is no longer just an economic issue of far-reaching future consequences, but becomes a primary requirement for Arab national security.

In my estimation, this Sudanese-Saudi agreement and the economic activities (although I don't exactly know whether they are progressing or are in a state of suspension) are a model which in any case must be revived and repeated, as quickly as possible, before the day comes when we find ourselves situated along the Red Sea but not controlling it or sharing in it.

When the Iraqi-Iranian war broke out, and Iran threatened to close the Straits of Hormuz, and the flow of petroleum out of the Gulf on super tankers came under threat, another important aspect of the Red Sea surfaced: the Kingdom of Saudi Arabia had decided to build a huge petroleum pipeline from the Gulf straight to the Red Sea, to diversify Arab petroleum outlets. Studies are now under way as to whether Iraq might also transport part of its petroleum through this Saudi pipeline, or whether it should build a similar pipeline. There are other projects for extending a petroleum pipeline from Iraq to the Jordanian port of al-'Aqabah; in this case, ships as well would transport oil to the Red Sea.

This has added to the Red Sea's economic significance, inasmuch as under normal circumstances it would save a lot of money in petroleum transport, and would become a basic alternative to existing petroleum outlets.

I feel that this matter was not far from the mind of whoever dropped the mines in the Red Sea. Perhaps the first message they want to send to everyone involved in the matter is: Although we cannot mine the Gulf, we can still mine petroleum routes elsewhere, as well as places where the new pipelines will end.

Even though extending an oil pipeline directly to the Red Sea is a good development, and can be expected to be decided in days because of strategic or economic reasons, this nevertheless throws an additional burden on Arab national security officials, and we must be aware of this from now.

This shift, while removing petroleum from Iranian attack, brings it closer to attack from the long Israeli arm.

We know that ever since Israel launched the famous Entebbe Operation and sent its planes to the Bab al-Mandab area to flex its muscles, it has been reiterating that its air force is its long arm, with which it can reach the farthest ends of the Red Sea.

True, they did all this while they occupied Sinai, and they launched the operations from Sharm al-Shaykh, which cut the distance to the southern end of the Red Sea by a quarter. But anyone aware of the advances in war aviation and the potentials for refueling war planes in mid-air knows that Egypt's regaining Sharm al-Shaykh, even though it deprives Israel of an advance post on the Red Sea, will not completely prevent Israel from reaching any part of the Red Sea.

The second thing we must observe is that Israel has stationed a large part of its navy in the waters off Eilat, whereas in the past almost every single Israeli naval unit had been positioned off Haifa and Ashdod and nowhere else.

Israel did not move close to one third its naval forces to Eilat Port just to strengthen that port's defenses, but to give these forces the capability of moving into the Red Sea at any time.

The Red Sea is about 1,200 miles long, and is at the most only 250 miles wide from east to west. Nevertheless, navigation between its eastern and western coastlines, i.e. among the Arab countries along its shores, is less than 10

percent of the lengthwise navigation, i.e. between its northern and southern ends and vice versa. In one respect this is only natural, because there is much more international shipping than inter-Arab navigation. In the strictest sense, national security is not limited to weapons and armies, but includes geographic, economic, population, construction and military planning at the same time. Therefore, the Arab Red Sea states have a major responsibility for increasing navigation between the east and west coasts. This will not come about through wishful thinking. Ships will not move between vacuums. Therefore, the Red Sea coastlines must be developed, and the Yanbu' Project is an ideal model for us. The Sudanese-Saudi agreement is another example, and there may be a major role awaiting Egypt in developing its territory along the Red Sea.

Egypt has many inducements for so doing. On the one hand, it is looking for areas to build housing complexes beyond the narrow Nile Valley, and the Red Sea is the most important such location. Furthermore, the establishment of a port at Ra's Banas is vital and strategic. With respect to this project, we must mention that America came very close to reaching an agreement with the late President Anwar al-Sadat for establishing an American naval and air base at Ra's Banas. It is true that President Hosni Mubarak has been very successful in eliminating the possibility that an American military base might be established in Egypt, but this throws on our shoulders the responsibility for building this port in one form or another--be it an economic port, as a natural outlet for all of southern Egypt and especially the Aswan industrial zone, or from the standpoint of immediate national military security. We must channel our concern on the basis of the concerns of foreign countries who have preceeded us. America's lengthy insistence on and continual attempts to obtain a base at this spot on the Red Sea should tell us that the long-range policymakers in America and Israel know that the Red Sea shall become, or has already become, one of the most important seas in the world. More importantly, it will be a new front in the cold war, either between the superpowers or in the context of existing and new conflicts in the entire Middle East.

Perhaps this picture of the Red Sea issue has ranged far beyond the recent mining incidents, even though they are serious enough. But observers of the Red Sea mining incidents agree that the most important feature is not the mines themselves, but the proof they offer us as to the direction the wind is blowing on this new front in the very heart of the Arab world, an area which is almost like a lung through which the Arab world breathes. We are not aware of this as long as the lung is not endangered or being written up in headlines. Perhaps this danger, the headlines, and the world's attention will show us how important this lung is to our present and future planning.

8559

CSO: 4504/431

SUDANESE-EGYPTIAN INTEGRATION EFFORTS MAKING PROGRESS

London AL-TADAMUN in Arabic No 72, 25 Aug 84 p 63

[Article by Usamah Ghayth: "In Spite of the Air of Optimism, There are Numerous Obstacles In the Way of Integration, As Well As Great Aspirations"]

[Text] The Supreme Council for Egyptian-Sudanese Integration, chaired by President Mubarak and President Ja'far Muhammad Numayri, met amid vital, important developments in both countries, tantamount to their entering a new era. Egypt is attaining the heights of democracy, with the first parliamentary elections of the Mubarak era, while the Sudan is applying the Islamic Shari'ah and paying homage to President Numayri as the Sudan's imam.

The domestic events and changes in Egypt and the Sudan were accompanied by attempts to stir up rumors about the special relations between the two countries, and much talk about the differences and problems besetting future integration attempts.

The Supreme Integration Council issued the following resolutions at its meeting in Cairo:

1. The obstacles which prevent the volume of trade between the two countries from reaching the desired level should be eliminated, especially with respect to mutual trade deals concluded outside the context of the trade and defense protocol between the two countries. The council issued directives for re-examining the causes of this shortfall and finding ways of correcting it and streamlining trade between the two countries without hindrance.
2. Legislation, regulations and administrative rules needed to standardize labor and employment transactions between citizens of both countries should be drawn up. There should be immediate appointment to public posts which are filled through the government manpower bureaus of both countries, and there should be equal employment in the private sector for Egyptian and Sudanese citizens, so that any Egyptian or Sudanese will have equal job opportunities without having to obtain a permit in advance; it will be enough to register with the authorities.
3. The council issued its directives for helping the Egyptian-Sudanese Agricultural Integration Company transport and market its produce and begin animal production and agricultural industrialization projects, so that the citizens can feel an immediate return from these projects.

4. The supreme council advised continued diplomatic activity requesting aid and support for the completion of the Jonglei Canal project, one of the largest national integration projects under way in the Nile Valley. This project will collect surplus water from the al-Sudud area for use in agricultural and development projects.

5. With respect to planning and financial affairs, the council decided to prepare an integrated 5-year development plan which would coincide with the two countries' plans, and which would be a nucleus for a regional integration plan in the future. Furthermore, a Nile Valley bank should be established, in the form of a joint company of both countries' public and private sectors, with the public sector holding 60 percent of the capital and the private sector 40 percent.

6. The council expressed its concern over the role the private sector plays alongside the public sector in integration strategy, and recommended that the private sector be encouraged to participate in projects of an economic or investment nature in agricultural development, food self-sufficiency projects, and other basic economic sectors. It also recommended the formulation of indices for the credit facilities needed to begin these projects.

7. It approved the right of the citizens of both countries to own real estate, vacant land and agricultural land, especially reclaimed land, as well as their right to pursue individual trade activities, and recommended that the legislation needed to achieve all this be passed.

8. It decided that the Border Integration Zone should include Aswan Governorate and the Sudan's Northern Province, and that a special agency should be formed for this zone. It would be chaired by the governors of Aswan and the Northern Province, and would represent the political, executive and popular commands, for the purpose of planning and following up all integration activities in the region. This agency would be a cornerstone for the development of north-south integration all along the Nile Valley.

In its joint statement, the Supreme Integration Council reiterated that the joint defense agreement was a purely defensive act against any outside aggression, and not a tool for aggression against anyone.

The statement also indicated that the Supreme Council was discussing both countries' roles in containing strife, and emphasized the two integration states' efforts to stop the Iraqi-Iranian war and the explosive situation in Lebanon and the African Horn, out of the Nile Valley peoples' awareness of their national and regional responsibilities and their role in achieving victory for the cause of peace, justice and liberation.

Secretary General of the Supreme Integration Council Abu-Bakr 'Uthman announced that the Nile Valley Parliament will hold its next meeting in Cairo this October. It has also been decided to hold the first constituent congress for Nile Valley popular organizations in Cairo this November, in order to jointly plan mass action according to definite goals and timetables.

The follow-up reports of the five constituent committees of the Supreme Integration Council showed that the Egyptian-Sudanese Agricultural Integration Company (capital 10 million Egyptian pounds) has actually planted 110,000 feddans in the al-Damazin area of the Blue Nile, and is now in the process of planting another 250,000 feddans. More than 70 percent of the 160-kilometer Jonglei Canal project in the Sudan has been excavated. In its first stage, the canal will provide an estimated 406 billion cubic meters of water each year, to be divided equally between the two countries.

The experts' reports indicate that joint agricultural integration might actually help meet the agricultural needs of Egypt, the Sudan and the Arab world, by exploiting the Sudan's agricultural potential, which allows for the cultivation of about 200 million feddans. For example, Sudanese farmlands could meet all wheat needs, instead of wheat being imported from abroad with all the resultant political and economic pressures. The countries of the Arab world import 14 million tons of wheat every year, not to mention the 6 million tons imported by Egypt alone. The Sudan imports about 300,000 tons, in spite of its abundant exploitable agricultural land.

The integration projects planning committee presented a report to the Supreme Council which included 54 integration projects, with total investments of 996 million pounds, which could be implemented over the next 9 years. It is worth noting that the largest portion of the investments for these projects is concentrated in the irrigation sector, and amount to 606 million pounds, as part of a long-range plan lasting until the year 2000 aimed at implementing integration programs which will achieve the optimum utilization of the Nile's waters. Next comes the agricultural sector, and the transportation and communications sector, both with 32 million pounds in investments, and then the industrial sector, with extremely modest investments of only 8.5 million pounds.

8559

CSO: 4504/431

SIRAJ-AL-DIN'S BROTHER JOINS NATIONAL DEMOCRATIC PARTY

Paris AL-MUSTAQBAL in Arabic No 392, 25 Aug 84 p 14

[Article: "Fu'ad Siraj-al-Din's Brother Joins National Party"]

[Text] 'Isa Siraj-al-Din, the brother of Fu'ad Siraj-al-Din, has joined the ruling National Democratic Party of Egypt. This interesting accession has come to raise this question in Egypt: Is this the National Party's answer to the joining of the Wafd Party by Eng Ahmad Sami Mubarak, President Mubarak's younger brother? If this is the answer, then why has it come late?

Sources in the National Democratic Party said that President Husni Mubarak personally approved the request of 'Isa Siraj-al-Din to join the National Democratic Party, even though this accession has not been accompanied by big media clamor similar to the clamor raised by the New Wafd Party over Sami Mubarak's accession to it. All the National Democratic Party did was to announce the news of 'Isa Siraj-al-Din's accession to it. Meanwhile, the other Egyptian papers did not try to publish the report.

A source in the Wafd Party told AL-MUSTAQBAL that 'Isa Siraj-al-Din was not a member of the Wafd to start with and that he had no previous political role.

But the facts show that 'Isa Siraj-al-Din was the man who made all the mediation efforts and contacts between Jamal 'Abd-al-Nasir and Fu'ad Siraj-al-Din. Fu'ad accused his brother at the time of not being accurate or honest in conveying the Wafd's viewpoint to 'Abd-al-Nasir.

It is well known that 'Isa Siraj-al-Din was sympathetic to the revolution, that he was one of the second-line men among the Free Officers and that he worked in the diplomatic corps until he retired.

8494

CSO: 4504/434

EGYPT

AL-MAHJUB DISCUSSES INTERNATIONAL RELATIONS, DOMESTIC ISSUES

London AL-MAJALLAH in Arabic No 238, 1-7 Sep 84 pp 17-19

[Interview with Dr Rif'at al-Mahjub, People's Assembly speaker, by Jamal 'Inayat and Mahmud Sadiq: "In Interview with Dr Raf'at al-Mahjub, Egyptian Parliament Speaker: We Are Not in Hurry To Return to Arabs"; in Cairo, 18 August]

[Text] Cairo--On the morning of Friday, 17 August, we dialed and asked: Is Dr Rif'at al-Mahjub there? Moments later Dr al-Mahjub was on the phone. A couple of words on our part and a couple on his part and we agreed that the Egyptian parliament speaker would give AL-MAJALLAH the first exclusive interview he has granted an Arab magazine.

On the following day, the interview lasted more than 2 hours and in it the Egyptian parliament speaker discussed the details of his latest visit to the United States, of the Red Sea mines, of the Taba issue and of the parliamentary action in the Assembly, in addition to the political features of the current phase. Following is the interview:

[Question] The first issue is that of the Red Sea mines and the debates raised over it. It has been said that Israel has had a hand in planting them. It has also been said that the United States has interests in this area and that it is possible that it has done this to insure its continued presence. It has also been said that the Soviet Union has asked to enter the area so that the United States may not have an exclusive presence in it but that the Egyptian Government has rejected this request and that the Soviet Union has asked Aden, and that the Soviets will be present in the Red Sea by way of Bab el Mandeb. So far, the picture is not clear to the reader. Moreover, is there any interpellation submitted for discussing this issue in the first sessions of the parliament? What is your comment?

[Answer] First, the issue of the mines planted in the Red Sea constitutes a flagrant attack on international navigation. Therefore, it is natural that Egypt would be concerned with this issue and would seek the expertise of other countries, such as the United States, France, Britain and Italy, to clear the Red Sea of these mines. Fortunately, navigation in the Suez Canal continues and is tranquil, which prevents the tendentious from achieving their objective of obstructing navigation in the Suez Canal and the Red Sea. There is no

doubt that this flagrant attack on the freedom of navigation requires from Egypt measures which it will not hesitate to take when the country planting the mines becomes known. It is Egypt's right, as his excellency the president has pointed out, to apply to the country whose responsibility for planting the mines has been determined Article 10 of the Constantinople Treaty of 1888 which bans such a country from using the canal and which permits Egypt to prohibit countries that attack free navigation and expose it to danger from using the canal. Moreover, it is Egypt's right to protect navigation in the Suez Canal and to prevent any vessel carrying explosive materials from crossing the canal.

[Question] Let us move from the issue of the mines to the issue of Egyptian-U.S. relations. What motivates us to ask this question is your latest visit to the United States. Before we converse on what was discussed there, let us ask: Is it true that the purpose of your first visit to the United States was to ascertain if there is a complete separation between the academic aspect, considering that you were teaching the subject of socialism, and the executive political action?

[Answer] I am surprised by such words. My trip was for the purpose of attending a conference on public policies and affairs at Indiana University. I have an old relationship with this university and I visited it last year. I took the occasion of my latest visit and contacted a number of U.S. officials. I assure you that my invitation to attend this conference came prior to my election as speaker of the parliament. Therefore, you will find no connection between my trip and the parliament speakership.

[Question] Let us turn to the details of the discussions in the United States. What was agreed upon with the officials in Washington and with members of the Congress, especially in terms of increased U.S. aid for Egypt? What was the nature of the talks held with Richard Murphy?

[Answer] I contacted a number of U.S. officials, both in the administration and in both chambers of the Congress, as well as a number of businessmen. The visit was not an official visit. Yet I had the opportunity to contact large groups in the U.S. organizations I have mentioned. In those meetings with the Americans, I touched on the various Egyptian and Arab issues, especially the issue of U.S. aid to Egypt. I raised the idea of allowing Egypt greater flexibility in using U.S. aid and of advancing a part of this aid in cash out of the desire to link the aid projects with the Egyptian 5-year plan because such linkage gives these projects a greater chance of success and of serving economic and social development. This idea was received well by the administration, by the State Department and by the Congressmen who appreciate the idea and who do not oppose it in principle. I also raised the idea of setting up a major project within the framework of U.S. aid so that it may be a symbol of Egyptian-U.S. friendship. I also cited some examples of what this project can be, such as a huge industrial project or building a big city to be a symbol of this friendship. This issue was also received well by both sides [the administration and Congress].

[Question] Have any executive steps been taken in this regard?

[Answer] No. These are issues that require further discussion by the Egyptian and U.S. sides. We may take the opportunity of a visit by McPherson, the official in charge of Aid and International Development, to continue the discussion on this issue. We will also take the opportunity of visits by Egyptian officials, especially by the minister of economy, to Washington to follow up on these issues. During my talks, we also brought up other issues, including the relationship between the United States and Egypt generally and the eagerness of both sides to strengthen this relationship in the various spheres. The idea of strengthening these relations, especially in terms of increasing U.S. investments in Egypt, has also been received well. It is noticed that these investments have begun to increase, even though they have not yet reached the level desired by Egypt.

Egypt's Demands From Israel

[Question] Was this all that was discussed during your latest visit to the United States?

[Answer] No. We also discussed the return of the Egyptian ambassador to Israel. I pointed out to them that Egypt withdrew its ambassador from Israel under circumstances well known to the entire world, namely the Israeli occupation of Lebanon and the Sabra and Shatila massacre, and that Egypt will not return its ambassador unless the withdrawal from Lebanon takes place or a timetable for the withdrawal is prepared and its implementation begun and unless the issue of Taba and the Palestinian issue are revived. All that Egypt is demanding is in agreement with the Camp David Accord and with the peace treaty. Freezing the negotiations on Taba is against Camp David and the occupation of Lebanon is against the peace treaty. We are not imposing strange conditions but are only demanding implementation of the international treaties concluded in order that the ambassador may return. The Egyptian ambassador will return to Israel, especially since the Egyptian Embassy in Israel is still open. There is something which some Congressmen do not know. They imagine that the embassy is closed. But I made it clear to them that the embassy is still open and that we are awaiting these steps from Israel before sending back the Egyptian ambassador. Before discussing this issue, I also raised with the Congress and with the U.S. administration the question of moving the U.S. Embassy to Jerusalem and assured them, as I assured the Speaker of the House, that Jerusalem will, as agreed in the Camp David negotiations, be the subject of future negotiations, that moving the embassy will be tantamount to blocking the path in the face of these negotiations and will create an obstacle in the face of comprehensive peace in the area, especially since we are demanding that other parties join the peace process. The Speaker of the House accepted this advice with appreciation, as he told me. In this regard, I wish to assert that the current administration does not wish to move the embassy to Jerusalem.

[Question] Then you believe that all that is being said on this issue is a part of the current election campaign?

[Answer] I cannot confirm this because Reagan is also running in the elections. Yet, he has clung to his viewpoint. I also cannot confirm whether Mondale is

adopting this position as an election tactic or not. He has promised to move the embassy but I cannot confirm whether this is just an election tactic.

[Question] During your presence in the United States, you also met with Richard Murphy, who had said previously that Reagan's initiative must be moved and reactivated or else the area will experience stagnation. What is behind this statement?

[Answer] We discussed with Richard Murphy, the assistant secretary of state, with other administration officials and with a number of Congressmen the question of reactivating the peace issue generally and of reviving the Palestinian issue. I appreciate the fact that the present circumstances does not permit this revitalization before the U.S. elections. This issue involves problems that are not easy. There is emphasis on the need for the Palestinian organization [PLO] to reach agreement with the Arab countries bordering Israel (Jordan, Egypt and Syria) in order that the peace process and a solution to the Palestinian issue may be able to move.

(Moments later, the Egyptian parliament speaker added with extreme confidence:) The responsibility does not fall solely on the shoulders of the American side which will not move before the elections and before the new administration assumes its responsibilities. It also falls on the shoulders of the Arab side. The Arabs must appreciate the importance of the situation and the importance of the element of time, especially since the Israelis continue to build settlements which will obstruct the problem in the future. This is why I believe that the historical situation dictates that the Arabs reconsider their position in order that the Palestinian issue may be able to move. We, President Mubarak and Egypt, always stress the need for the Palestinians to have the right to self-determination, which is stipulated in the peace treaty, and the right to establish their state. But if the Arabs continue to disagree and if the disagreements within the PLO and those between the PLO and the other Arab countries continue, we will not be able to revive the Palestinian issue because reviving the Palestinian issue depends not only on the United States but also on the Arabs. How happy would it make Israel not to see this issue revived and to see it left to time to die of neglect and of the many settlements the Israelis are building in the Arab territories! It is time for the Arabs to meet in the manner they want in order that they may abridge the time that is working against the interest of the Palestinian issue.

[Question] This makes us ask about the nature of Egyptian-Arab relations.

[Answer] As I have repeatedly said, Egypt is eager for relations with the Arabs, be they diplomatic or non-diplomatic relations. Egypt has made strides on this path and it is ready to open its arms in welcome to any Arab country that wants to restore relations with it. But I will reaffirm what I have already said, Egypt is intent on diplomatic relations with the Arab countries but it will not hurry them. We will leave it to each Arab country to evaluate its circumstances and the time it wants for the restoration of these relations.

[Question] Let us move the issue of Taba and to what AL-WAFD newspaper said about the withdrawal of the Egyptian military to a distance of 100 meters inside Egyptian territories. How true is this?

[Answer] Taba is Egyptian land. This is indubitable, as attested by all the historical documents. It will remain Egyptian. Israel must understand this fact and must also understand that the peace cannot be positive peace unless the Taba issue is settled. As the minister of foreign affairs has said, the Egyptian-Israeli peace is a cold peace. I will borrow this phrase because the issue of Taba has not been settled and because of other reasons. However, it is in the interest of peace for the negotiations on Taba to begin and for Taba to be restored to Egyptian administration. As for rumors circulated by some papers to the effect that Israel has seized 100 meters of Egyptian land, an official statement has been issued denying such seizure.

[Question] Have any interpellations been submitted to the parliament to be discussed in the coming sessions?

[Answer] No, no query has been submitted so far. There may be some questions in this regard.

[Question] In the recently held sessions, it has been noticed that you are somewhat sympathetic to the opposition parties. Will this sympathy continue or is it a tactical phase at the outset of the parliamentary action?

[Answer] I am not sympathetic to certain parties over others. I am sympathetic to democracy. Democracy means that I give the opportunity to the opposition also. If I have given it a greater opportunity than I should, as some people say, then I believe in this approach. What is new in Egyptian parliamentary life is the opposition. Therefore, the success of this opposition will be accredited not only to the opposition but also to the majority and, certainly, to the democratic action. I support democracy. This is not a tactic, as some people imagine. It is a belief in the new course which Egyptian political life must follow and it is a response to the general feeling among the Egyptian people who want democracy and want it to succeed.

[Question] Let us move from parliamentary action to the nature of the current phase and say: under 'Abd-al-Nasir's administration in the 1960's, al-Mahjub emerged to defend the revolution's thought against deviation and took part in issuing the charter--the document of the revolution's leaders--and then disappeared for a time. Under al-Sadat's administration in the 1970's, you were behind establishing the concept of the open-door intellectual, political and economic policy and you contributed to the establishment of the platforms and then disappeared for another period. Now, with your re-emergence in the political theater, can we say that the return has come for the purpose of drawing up the features of the new phase?

[Answer] Under President 'Abd-al-Nasir's administration, I took part in the preparatory committee which drafted the charter. I also participated in the Socialist Union as an official representing the universities. My task in the period in which I participated was to stress political and social freedom. I even remember what I told the national congress of 1962, namely: those who fear freedom are the fiercest enemies of freedom. Fear of freedom is an unforgivable crime. Concluding my address, I said to President 'Abd-al-Nasir: "Mr President, the greatness of a ruler is measured by the freedom of the citizen. You have done a lot for the citizen's freedom and you still have to

do a lot more for this freedom." Throughout the 1960's, I defended political and social liberties during the period in which I engaged in political action. Moreover, my disagreement with those who surrounded President 'Abd-al-Nasir was over the freedom of the university. I withdrew from political action in May 1967, i.e., a few days before the setback. I then returned to this action for a few weeks without being invited by anybody out of loyalty to the political organization. I then withdrew from political action finally and went to Beirut where I worked as a professor at the Arab University of Beirut from 1968 until 1970, when I returned to Egypt. I worked in the School of Economics. When the team that had remained in power since the days of 'Abd-al-Nasir tried to contact me, I refused to have any relationship with it. I stayed at the university until President al-Sadat invited me to take part in the open-door policy phase. I drafted for him in 1972 a comprehensive memorandum entitled "The New Course of the Open-door Intellectual, Political and Economic Policy." I incorporated into that memorandum a lot of what al-Sadat had already begun to implement. I later had the opportunity to supervise the establishment of the platforms and to declare their foundation out of my belief that they were not a response to a reality but a preparation for a future determined by the people, i.e., a preparation for the parties to be formed by the people. Differences then erupted over the method and I decided to withdraw from political action. What I want to assert is that in both times during which I withdrew from political action, I maintained my unwavering loyalty to the regime, whether under 'Abd-al-Nasir's or under al-Sadat's administration, and I always maintained a good relationship with both President 'Abd-al-Nasir and President al-Sadat.

Coming Phase

[Question] We wonder about the nature of the features of the coming phase?

[Answer] The features of the phase we have begun with President Mubarak are evident in the following: very simply, we are safeguarding the gains made previously, whether under President 'Abd-al-Nasir's or of President al-Sadat's administration. The third phase begins with the gains of the previous two phases and corrects their negative aspects. Moreover, this phase is not in conflict with either of the two previous phases but it is not at all committed to the measures taken in either of those two phases. However, we are committed to their gains. President Mubarak summed up this position on Police Day when he said on 24 January 1984 that he is committed to the revolution's gains but not to its phases. What the president wants to say is that we must safeguard the gains achieved but that the measures taken in the first or second phase may not be compatible with the third phase. We are not committed to them for a very simple reason, namely that each phase has its circumstances that dictate measures compatible with them. When a phase ends and its circumstances change, we cannot at all abide by its measures that are no longer suitable. They were people who evaluated their circumstances and adopted the measures compatible with those circumstances, regardless of our position toward those measures. We are also people who evaluate our circumstances and take the measures compatible with them. This is a natural starting point for historical development. Heraclitus, an ancient philosopher, said: "You cannot swim in the same river twice," meaning that the river water changes. The same applies to the

procession of history. In today's Egypt, the water of the river which existed in the days of 'Abd-al-Nasir has changed and the water of the river which existed in the days of al-Sadat has changed.

[Question] The man in the street does not feel that there has been a fundamental change insofar as his problems are concerned?

[Answer] The man in the street now feels that there is a new parliament, there is a serious opposition and there is democratic action. He feels that the state is serious in its efforts to repair the utilities, serious in its discipline and serious in achieving the economic and social development plan. But results do not surface in one day because these problems have not accumulated in a single day. Despite this, the change has begun and it will produce its fruits in the various spheres.

[Question] Some of the phrases which have surfaced recently include the phrases "legislative inflation" and the "ill-reputed" laws. What is meant by these two phrases?

[Answer] Legislative inflation means the abundance of laws, and this is understandable in view of the numerous changes undergone by Egypt. We must reexamine the laws, free them of the contradictions they contain and combine each group of laws in a single law so that we may make it easy for people working with the law to refer to them. As for the description [ill-reputed] given to some laws, I do not agree with it. These are laws issued by the parliament within the limits of its jurisdiction in accordance with the constitutional procedures and for the circumstances under consideration. Therefore, such a phrase is constitutionally invalid. Moreover, if its purpose is political provocation, then it behooves us not to comment on it, especially since those who have come up with this phrase are people who took part in drafting these laws. I know full well that they were among the advocates and formulators of these laws. Therefore, there are no ill-reputed laws. There are needed laws issued for certain circumstances. Any law can be reexamined if the circumstances change.

[Question] Some believe that the circumstances have changed and have greatly outdistanced the laws concerned and that, consequently, these laws must be changed.

[Answer] This is something that the parliament evaluates and discusses in a constitutional manner.

[Question] Is there some value in taking a position on these laws?

[Answer] This is something that is up to the Assembly's will. I cannot say anything decisively before proposals are submitted to us in this regard by the Assembly members.

[Question] You have already stated that there will be no discussion on amending the election law before the lapse of at least 1 year. Why?

[Answer] I have not set a date. But considering that the elections were held very recently, it is not logical to reexamine the law and to preoccupy public

opinion and the Assembly with it. Let us carry on with our work and when the experience unfolds and reveals its negative and positive features, we can re-examine the election law or any other law. But it is illogical to preoccupy ourselves with this issue now because we have more urgent priorities. This is not a refusal to reexamine but is a matter of arranging the order of priorities.

[Question] What is the meaning of your invitation to all the men of the July revolution to join the National Party?

[Answer] What is intended is that the gains of the 23 July revolution are here to stay. That is what President Husni Mubarak, the chairman of the National Party, asserted when he said that these gains have the legitimacy to defend themselves. The National Party, chaired by President Husni Mubarak, represents these gains. Therefore, let us who want these gains join the party.

[Question] So when you issued your call you did not mean the parties which emerged from under the cloak of the Socialist Union?

[Answer] I do not mean anybody in particular. What I mean is that those who are truly concerned with the 23 July revolution's gains may join the National Party whose chairman has declared his concern for the principles of the 23 July revolution. I do not mean any person in particular.

[Question] Thus, will there be two main currents in society: a current with the 23 July revolution and a current against it?

[Answer] We cannot impound anybody's thinking or anybody's position as long as he abides by the constitution.

[Question] But there will be no voting for or against?

[Answer] No. We do not classify people into categories. People have the absolute freedom to put themselves in the position they wish, provided that they do not stray from the constitution or the law.

[Question] In your capacity as the chairman of the National Party's Parliamentary Committee, how do you view the reorganization of the party? Does the number of the party's members in the People's Assembly truly reflect the party's actual presence in the political street?

[Answer] This is an issue that is not connected with the Parliamentary Committee but with the party and it may be premature. However, the National Democratic Party, as well as all the Egyptian parties, must reorganize itself in light of the experience of the new elections.

[Question] Is there a need to modify the party's intellectual program?

[Answer] If the party finds in its meeting that this is necessary, then it can make the preparations for it. This is up to the party congress.

[Question] It has been said that you are one of those who are currently taking part in reorganizing the party?

[Answer] The party reorganization has not yet begun. We are preoccupied with the action in the parliament.

[Top box on page 19] Among Books Written by Dr Rif'at al-Mahjub:

1. "The Actual Demand," for which he received the state's Incentive Award in 1963.
2. "Public Finances"
3. "Economic Development in Egypt"
4. "Socialism"
5. "National Sensitivities"
6. "Interest Rate and Balance"

[Bottom box on page 19] Parliament Speaker

Dr al-Mahjub began his political activity in 1962 when he was selected to the membership of the charter preparation committee. On 21 November 1959, he was appointed a member of the Socialist Union's Executive Bureau for the Cairo Governorate. On 2 October 1972, he took charge of the Religious, Cultural and Propaganda Affairs Secretariat of the Socialist Union's Central Committee. On 25 May 1975, he was appointed chairman of the committee supervising the restructuring of the Socialist Union's organizations, beginning with the bottom bases. In February 1984, he announced his accession to the National Party and its Parliamentary Committee. In July 1984, he was elected speaker of the Egyptian parliament.

8494

CSO: 4504/433

CONTEMPORARY NASIRITE VIEWS ANALYZED

Cairo AL-AHRAR in Arabic 23 Jul 84 p 8

[Article by Wahid Ghazi: "Nasirites"]

[Text] Many believe that we are heading toward Nasirism. To confirm their belief, they cite a number of manifestations, such as the assumption of leadership positions by the Nasirites, the success of the Nasirites in the elections to the People's Assembly, the hanging of the picture of 'Abd-al-Nasir next to that of President Mubarak in some agencies and displays of greater interest in the July revolution celebrations than had been shown in past years.

Those who believe that we are heading toward Nasirism are divided into two groups:

The first group, consisting mostly of youth, welcomes the return of Nasirism which is tied in its mind, according to what it hears from the old Nasirites, to the availability of housing, food and clothing and to low prices. At the outset of the revolution, there was no housing crisis, prices were reasonable and salaries and wages were adequate, and this is a fact.

But what is wrong with the supporters of this opinion is that they disregard the fact that the revolution broke out when prices were reasonable, houses available and life easy. The revolution did not come under the canopy of high prices and then lowered those prices, nor under the canopy of a housing crisis and then solved that crisis. On the contrary, Egypt began to experience the housing crisis and the rise in prices in the wake of the Yemen war, which we waged in the 1960's.

The second group is comprised mostly of liberals, i.e., the professionals, the real intellectuals and the merchants who believe in liberties. This group fears a return to Nasirism because it is tied in its mind to the acts of nationalization, to custodianship and to detention camps.

What is wrong with those who fear Nasirism is that we are now living under the canopy of the system of political parties which is in total conflict with the Nasirist system. The proof is the Nasirist Party program presented by Kamal Ahmad--a program which asserts that Nasirism does not believe in the multi-party

system, even though the party seeks to gain power through the current multiplicity of parties.

These apprehensive people also disregard President Mubarak's declarations that the state will not resort to acts of nationalization or of custodianship, i.e., that there will be no return to Nasirism in this regard.

In his first meeting with the new cabinet last Tuesday, President Mubarak said verbatim: "The public and private sectors are twins. There is absolutely no thinking about nationalization and no truth to the rumors spread on this issue because we are a state that respects private ownership and that does not permit any undermining of this ownership. Capital must be fully reassured and stable."

The question is: Are these words in conflict with the tendency to appoint Nasirites to leadership positions, with their gaining seats in the People's Assembly, with the hanging of 'Abd-al-Nasir's picture next to that of the head of the state in some agencies and with the attention given to the July revolution anniversary celebrations?

I find no conflict. Nobody can deny the role played by the July revolution and nobody disagrees with the success it achieved on the path it followed until 1960, before we fell in the snare of nationalization and custodianship acts, before the Yemen war, before the June setback and before the opening of detention camps and the suppression of liberties. Celebration of the July 1952 revolution is a reaffirmation of a reality we have lived through and whose traces we continue to experience until the present and which we cannot disregard.

Nobody denies 'Abd-al-Nasir's leadership. Had it not been for that leadership, he would not have continued to rule until his death. Hanging his picture as the symbol of the revolution means loyalty to the men who initiated the revolution as an expression of the people's will and of reliance on the people's support, regardless of the fact that the revolution was later led on the path of dictatorship and that it reflected the will of a handful of people instead of the people's will. We cannot abolish the revolution but we can correct the course of the revolution. The October war was an important turning point in this correction. When President Mubarak, who represents the October generation, declares that there will be no nationalization and no suppression of liberties, he is reaffirming the continued correction of the revolution's course without embarking on a new revolution. This underlines the concept of stability and of change by democracy. The new regime can continue and settle down without declaring a new revolution, even if it is only a revolution of correction. Correction is possible without a revolution. Rather, the correction is stronger because it is taking place normally.

As for the Nasirites' assumption of positions of leadership and their entering the People's Assembly by election, this is the right of every citizen, be he a Nasirite or something else. If we say anything to the contrary, then we will unwittingly fall into the errors of the Nasirites when they considered themselves a class above all classes, when they monopolized the important

positions for themselves and denied them to others and when they raised the work slogan of "the loyal before the capable." The result was regrettable.

I do not believe that the wheel of time can be turned backward, regardless of what high positions the Nasirites occupy and regardless of how high their voices rise. It is impossible to return to the nationalization, the confiscation, the detention camps and the domination of a single opinion. Rather, there are moderate Nasirites who fully believe in this and who assert that had 'Abd-al-Nasir lived until the present, he would have been compelled to back down on his nationalization decisions and his detention camps and to restore the revolution to what this revolution had declared at its outset, namely a sound democratic life.

What is more, Eng Ibrahim Shukri, the Labor Party chairman, declared in his interview with AL-AHALI last Wednesday that the Labor Party is a Nasirist party!

Under the heading "we are Nasirites before 'Abd-al-Nasir," the Labor Party chairman told AL-AHALI: "When we are asked about our position toward the 23 July revolution, we say that we are Nasirites before 'Abd-al-Nasir. Moreover, 'Abd-al-Nasir himself was a member of the Young Egypt Party and of the Green Shirts."

The Labor Party chairman could not possibly mean by these words that he is a Nasirite in the sense of supporting nationalization, of opening detention camps, of abolishing the parties and of taking Egypt to the totalitarian system. The Labor Party program is the exact opposite of this.

8494

CSO: 4504/387

OPPOSITION ASKS FOR CHANGES IN CONTROVERSIAL LEGISLATION

London AL-SHARQ AL-AWSAT in Arabic 1 Aug 84 p 8

[Article: "Egyptian Opposition Launches Its Activity and Demands Abolition of Emergency, Isolation and Shame Laws"]

[Text] Cairo---In his speech to a joint session of the parliament and Consultative Council, Egyptian President Husni Mubarak stressed that legislation and the promulgation of laws are not the primary demands of the legislative authority. The president added that if there is a consensus that there are laws that need to be abolished or modified, then these laws must be discussed through the legitimate channels of the new parliament.

At the same time and with the start of the new Egyptian parliament, the deputies of the opposition parties represented in the parliament, namely the New Wafd and the Labor Parties, have amassed a number of bills and have prepared their constitutional arguments concerning the demands for the abolition of a number of previous laws.

To find out what the opposition wants abolished and what new bills it will present to the Egyptian parliament, we conducted these interviews with a number of opposition representatives in the Egyptian parliament.

We started with Eng Ibrahim Shukri, chairman of the Socialist Labor Party, who said that the party presented during the parliament's previous session several new pieces of legislation demanding the abolition or amendment of some laws, especially the laws known as special laws.

He added that the party will present through its parliamentary committee a number of new bills to the new session and will continue to demand what it demanded in the previous parliament, namely the abolition and amendment of the special laws.

New Laws

The Labor Party chairman stated that the most important new bill that will be presented to the new session is a bill calling for provisions that curtail the misuse of influence or power by people in influential government positions.

Eng Ibrahim Shukri added: "There are two current laws in which the Labor Party is especially interested, namely the emergency law whose suspension the Labor Party has long advocated, considering that the current laws contain adequate alternatives and that we can deal through them with the situation concerning the fight against terrorism. However, this party has no objection to discussing what is said about presenting a bill to the parliament's current session to abolish the emergency law and replace it with a law called the 'Law for Fighting Terrorism.' The party will study this bill before it is debated in the parliament because it may be another form of the emergency law, only with a different name."

The Labor Party chairman also discussed the parties law, saying: "It must not obstruct in any way the genuine right of citizens to form their parties, as the constitution stipulates."

He asserted that there is no fundamental objection to the presence of the law, provided that this law is compatible with what is followed in various parts of the world and provided that the law establishes controls on issues concerning the activities of the parties, such as their sources of financing. But the present law certainly undermines the citizen's genuine right to form parties.

Parliament's Red Tape

The Socialist Labor Party chairman acknowledged that the parliament is governed by a strange red tape that leads ultimately to the postponement of the bills that are presented from session to session because these bills have to be reviewed by a long line of varied committees, each of which studies, examines and writes its reports and then approval is finally given to discuss the bill in the People's Assembly.

Sayyid Rustum, a member of the new parliament from the Labor Party, said regarding the bills which the party will present or the laws whose abolition it will demand: "Most of what we, as individuals, present to the Assembly are questions and requests for clarifications from the ministers on the urgent problems concerning the citizens of our provinces. For example, the first thing I will submit to the parliament is a question to the minister of health on the Nasir Institute whose construction has been stopped since the 1970's. This institute is supposed to be completed in accordance with an agreement among Egypt, Belgium and France.

"President al-Sadat had issued instructions putting the institute under the control of the Ministry of Social Affairs. But we objected to this arrangement in the parliament's previous session. The government rescinded its decision and put the institute under the supervision of the Ministry of Health which promised to begin implementation immediately and to complete construction within 30 months. Regrettably, nothing has changed so far. Meanwhile, the state has been losing throughout these years enormous sums of money as a result of the damage to the construction materials that have been corroded by rust. This is in addition to the constant rise in the prices of construction materials which will increase the construction costs."

The Labour Party deputy reaffirmed that Shukri had said about the need to deal with the parties law, saying: "There isn't in the world a country with a law regulating the activity of parties. If this is necessary, then there should be a neutral judiciary committee that is free of government control to supervise the formation of parties."

Wafd and List of Abolitions

Regarding the New Wafd Party's plans for new bills and old laws in the parliament, Counselor Muntaz Nassar, chairman of the Wafd Party parliamentary group, said that the party will demand the abolition of a number of laws, especially Law No 95 of 1980, known as the law of shame, because it permits the powers of the socialist prosecutor and of the ordinary judiciary to overlap.

There is also, adds Muntaz Nassar, a bill to amend the parties law and to abolish the restrictions it contains, provided that the authority that decides on the applications for the formation of new parties be a neutral authority. There is, furthermore, a bill which calls for the abolition of the political isolation law, namely Law No 32 of 1978 concerning the protection of the internal front.

Counselor Muntaz Nassar added: "The Wafd Party Parliamentary Committee will also adopt a number of other bills, including a bill for ending the state of emergency, another bill concerning the press and seeking to abolish government control of the national press and a bill calling for abolition of the system of elections by list."

Ahmad Taha, a Wafd deputy, said: "In addition to the bills which the Wafd Party as a whole will adopt in the parliament, there are the private efforts which each deputy exerts independently. I, for example, will soon complete studying a bill which I will present to the parliament for discussion during the current session. It is a bill that concerns finding a means to determine the relationship between prices and wages so as to serve the citizen's ultimate interest."

8494

CSO: 4504/387

PLAN TO SET UP INDUSTRIAL ZONE IN NORTH SINAI REPORTED

Cairo AL-AKHBAR in Arabic 22 Jul 84 p 7

[Article by Wafa' 'Azarah: "Governor of North Sinai Announces Implementation of Free Industrial Zone in North Sinai; Special Law for New Zone Drafted To Enable It To Attract Big Capital and Tourist Projects"]

[Text] Al-'Arish--Agreement has been reached between the governor of North Sinai and the Public Authority for Investment and Free Zones to implement the project for a free industrial zone in North Sinai. The final conceptualization for this project is being prepared in participation with the Ministry of Foreign Affairs and the Ministry of Agriculture prior to presenting it to the Policies Committee.

This has been stated by Maj Gen Munir Shash, the governor of North Sinai, who said that the project will be set up in the area extending from al-Shaykh Zuwayd to Bi'r al-'Abd, (covering a distance of 40-50 km). The project seeks to attract major industrial and production projects compatible with the area's potential and with the state's general plan.

The governor added that a special law is currently being drafted for this area to permit the inclusion of tourism within its activities and to turn it into an area that attracts the Arab capital that is being now invested in numerous areas other than the Arab region.

The governor also said that he will only permit the establishment of productive projects that can contribute to the national economy and provide big employment opportunities to the area's citizens.

Regarding the governorate's other news, Maj Gen Munir Shash announced that the al-Shaykh Zuwayd coastal road, the dual entrance to the city and al-Shaykh Zuwayd-al-Jurah road are now being paved from financial allocations amounting to 750,000 pounds. The first branch of the Agricultural Development and Credit Bank has been opened to gather and store the area's crops. Moreover, 8 youth centers and 30 permanent camps have been set up on the coast of Shaykh Zuwayd. A sum of 180,000 pounds has been allocated for these projects. A central hospital with 44 beds is also being built in the city serve the area's inhabitants.

LIBYAN PLOT TO SABOTAGE HIGH DAM, ROLE IN RED SEA MINING ALLEGED

London AL-DUSTUR in Arabic No 338, 3 Sep 84 pp 8-10

[Article by Ahmad Shukri: "Libyan Plan To Bomb High Dam"]

[Text] Cairo--Was the planting of mines in the Red Sea the second chapter of a major operation aimed at bombing the High Dam for the purpose of causing confusion and losses to the Egyptian authorities? At the beginning of last month, AKHBAR AL-YAWM published a brief report on the discovery of an attempt planned by al-Qadhdhafi to hit the High Dam. A few days after publication of the report, news of the mining of the Red Sea began to appear in the press, and along with it news of the official accusation made by President Husni Mubarak against both Libya and Iran. But what is the truth of the operation that was to precede the mining of the Red Sea? AL-DUSTUR has obtained some details, which it publishes here, on the Libyan attempt to bomb the High Dam and on the background of the mining of the Red Sea.

Last July, an unidentified pilot landed his Mig-25 aircraft in an Egyptian airport. When the sophisticated Mig-25 landed at the Egyptian airport, it quickly became evident that the pilot who penetrated the Egyptian borders and flew deep into Egyptian territory without being discovered by Egyptian radars was a Libyan national and that his name was Fathi Husni Baltamr.

The Libyan pilot surrendered to the Egyptian authorities and asked for political asylum. Upon interrogation of the pilot, it came to light that he had been entrusted by Colonel al-Qadhdhafi personally to bomb a certain weak point in the High Dam with the aim of "causing boundless confusion and losses to the Egyptian authorities," according to the defecting pilot.

The problem that perplexed the authorities is that Fathi Hasan Baltmar was able to penetrate deep into Egyptian airspace without being detected by the radar networks. How could this happen?

An informed military expert said that the radar networks did not detect the Mig-25 flown by the Libyan pilot because he penetrated them at a certain blind spot discovered by the sophisticated Russian outfits in Libya.

The expert also said that this is only one of a number of points not covered by the Egyptian radars which Libyan pilot Fathi Hasan Baltamr revealed to the Egyptian authorities.

Exclusive information acquired by AL-DUSTUR from Cairo indicates that Egyptian President Husni Mubarak has received the Libyan pilot at his office for 90 minutes and that he thanked the pilot for his national awareness and informed him that the Egyptian government had guaranteed him the right to asylum and protection.

The president and the pilot discussed some of the issues to which the Libyan pilot had referred during the interrogation but which he had refused to reveal or clarify except in the presence of President Mubarak personally.

The personal information available on Libyan pilot Fathi Hasan Baltamr indicates that he is 32 years old and that he is currently in Cairo. Moreover, the Egyptian armed forces have approved, according to information obtained by AL-DUSTUR, the pilot's military rank and included him in the special teaching staff of the Egyptian Air Force, Baltamr now lives in Cairo under heavy guard for fear of assassination by al-Qadhdhafi's agents.

It has also become evident that there is a firm connection between the Libyan attempt to hit the High Dam and the mining of the Red Sea. It is said that the information obtained by the Egyptian authorities from Libyan pilot Fathi Hasan Baltamr is what made President Husni Mubarak decide conclusively that Libya and Iran were involved in the Red Sea operation, with the president coming to his conclusion even before the emergence of evidence settling the issue decisively.

The objectives of the two operations--the High Dam operation, if it had succeeded, and the Red Sea operation--are similar. In addition to "punishing" Egypt for its declared pan-Arab positions toward the Gulf war, foremost among these objectives is the objective of casting doubt on Egypt's strength, credibility and role in the Arab homeland.

As for the latest developments in the Red Sea issue, it seems surprising that the mining of the Red Sea has attracted to the Suez Canal area, to Bab el Mandeb and to other Red Sea areas military mine-sweeping teams from all nationalities, especially from the five members of the Security Council, all of which have sent military teams to the area. It is as if the matter is an international tournament to test military fleets. In fact, the mining of the Red Sea is not, according to the latest Western diplomatic report, different from the downing of the Korean airliner. The circumstances surrounding the downing of this airliner are still mysterious. Even though this diplomatic report is quick to conclude that the mining of the Red Sea comes within the framework of the two superpowers' testing of the extent of their mutual reactions in case an armed confrontation erupts in the entire Gulf and Red Sea area, it still offers important details that are now revealed for the first time.

The report, from a French source, says that on 30 June 1984 the Soviet Union asked, contrary to its habit, the Turkish authorities to permit a number of its naval units to cross the Bosphorus, with the units including the aircraft carrier "Leningrad" and a mine-sweeping warship--which may not be incidental--and four other battleships. Six days later, i.e., on 6 July two Libyan submarines entered the Red Sea and remained there from 14-17 July in a spot close to the Ethiopian port of Assab. The two submarines were accompanied by a Libyan ship named "Ghat"

which also remained in the area on the same date and then crossed the Suez Canal on 17 July 1984 toward the port of Tripoli where it changed its crew and proceeded to the French port of Marseilles, this time with a Pakistani crew. As for the two submarines, one of them had stopped at an Iranian port near Kharij Island, according to the assertion of a European observation center in Bahrain. Moreover, Shaykh Khalifah, the ruler of Bahrain, contacted several Western capitals and had a "personal conversation with President Mitterrand" at the time the Libyan submarine was docked at the Iranian port. The report says that the two Libyan submarines are of an old Soviet-made type, that some repairs were made on them by East German experts and that they were purchased especially for an operation agreed upon during a high-level bilateral meeting between the Iranians and the Libyans. At the time Libya purchased the two submarines, emissaries of the Iranian government were touring the European capitals in search of sea mines. Some thought at the time that Iran was preparing to mine the Strait of Hormuz. This activity started in fact in February 1984 and by the beginning of June, the Iranians had obtained 5,000 sea mines of various types, purchased mostly from the black market in Italy. At the time the Soviet naval units were crossing the Bosphorus Strait at the end of last June, the U.S. fleet in the Indian Ocean was on maximum alert and orders had been given to the U.S. battleship "Lasalle" to proceed from the Seychelles to the Red Sea because the U.S. administration did not know what Moscow sought by sending its fleet through the Bosphorus. Here it must be noted that the first vessel damaged by the mines planted in the Red Sea was the Soviet vessel "Knud Jespersen," which was hit on 9 July 1984. Was this vessel exposed to damage in order to find out the reactions of the other side? Or, to be specific, was it a mistake or an attempt to steer accusations away from the Soviet Union? What is important is that this Soviet vessel, declared to have been damaged by the Red Sea mines, has not been found or seen since. It certainly did not sink because if it did, it could not disappear. This is another ambiguity surrounding the issue of the Red Sea mines. In any case, ambiguity has increased around the issue of the mining of the Red Sea. But what is certain about this issue is that it has brought into the Red Sea the fleets of a large number of the big powers, led by the Soviet and U.S. fleets of course, under the pretext of defusing the planted mines. But there may be other real objectives behind the gathering of fleets in the Red Sea. Despite all these ambiguous points, it is certain that Iran, Israel, Libya and other parties have a connection with the mining--each according to its motives, objectives and special ties.

8494

CSO: 4504/434

LEADING POLITICIAN, PARTY HEAD AHMED OSMAN INTERVIEWED

London AL-TADAMUN in Arabic No 66, 14 Jul 84 pp 30-32

[Interview with Leader of the National Rally of Independents Party Ahmed Osman by Aboubakr al-Sadiq al-Sharif: "No to Balkanization of Union Organizations, Yes to Shouldering National Responsibility"; Rabat, date unspecified]

[Text] Ahmed Osman, currently a minister of state and leader of the National Rally of Independents Party, has held several ministerial and diplomatic posts, beginning in the lifetime of the late king of Morocco, Mohamed V, and continuing under the reign of his son King Hasan II. He is related by marriage to the ruling family and previously studied with the king of Morocco and became friends with him. This has placed him always within the Moroccan establishment. Ahmed Osman is known among his colleagues for traits which have made him win the affection and respect of all. His name is linked with the great Moroccan causes. In addition to being one of Morocco's leading figures who drafted the constitution of the country, he has performed the role of successful Moroccan negotiator in numerous world capitals such as Tokyo, Brussels, Washington, Paris and Madrid and has achieved many reforms on the national level.

The name of Ahmed Osman is also linked with what they call here the "democratic chain." Following the state of emergency through which parliament was dissolved, the government headed by Mr Osman was given an extension in which to put the Moroccan house in order and pave the way for the return of parliamentary life in 1977.

At the same time his name was linked to what was known as the stage of peaceful dialogue and striving for mutual understanding. His government opened direct talks with labor unions, student federations and extremist political parties. As a result, the pursuit of extremism was reduced, and these parties came to understand their responsible role in the political, economic and social establishment and their support of it.

Osman--he prefers to be called that, without any titles--chose an elite of nationalist political figures and scientific and professional cadres, as the return of democratic life began in 1977. From them he formed a current called "the Independents," in other words, those who did not belong to the traditional parties. Through deliberate steps the current was transformed into a political party. In subsequent years the National Rally of Independents Party came to occupy a prominent place on the political stage, especially after it left the

government and the king of Morocco commissioned it to carry out the function of "constructive opposition," or in the words of King Hasan II, "the shadow government."

Leaving the government caused Osman's party to lose 50 deputies in parliament, including five ministers. They formed a party called the "National Democratic Party." This prompted some people to predict the beginning of the end of Osman's party, but in fact the opposite occurred.

Mr Osman believes in the building of the Greater Arab Maghreb, and he believes it must perform its role. In addition, he thinks that conflicts which have arisen must not impair the foundations which demonstrate the necessity of establishing the Greater Maghreb. In connection with this, he feels that the struggle over the Sahara in essence is nothing but a means to rock stability within Morocco.

AL-TADAMUN met with Ahmed Osman, the leading candidate to head a government after the elections and held an interview with him, the text of which follows:

[Question] The economic crisis is the chief concern of Morocco. You often stated that governmental efforts to remedy it would result only in aggravating it. We remember that when you were outside the government, you presented an urgent plan to correct the slump in the national economy. Our question is what do you propose in this regard?

[Answer] The National Rally of Independents claimed it was imperative to make reasonable, balanced corrections in the course of the national economy. This appeal was made through resolutions and recommendations issued at our conferences and meetings and through our positions in parliament. We were not wrong in our analyses and views of affairs. On the contrary, the development of the economic situation has demonstrated the correctness of our view of the problem and the methods of treatment required. Nevertheless, we must recognize that Morocco is not alone in this situation. The current era is one of troubles and suffering, even for the industrialized nations and the wealthy developing ones such as the oil-producing nations. We must also remember the drought and its effects on our national economy, just as we must bear in mind the state of war imposed on us which we have been dealing with for the past 9 years.

However, all these pressures and difficult burdens are based on a strong apparatus capable of overcoming them. It is in our power to confront them. Programs must be prepared which include choices meeting the requirements of the current situation. Future views must be considered which guarantee that problems and difficulties will be surmounted. Planning as well as the preparation of both alternatives and the apparatus capable of strengthening resolve must be made as of now. It must be possible to correct structures and conditions, whether they have to do with administration or officials and employees.

[Question] Does this explain the slogan you raised at your recent national congress, calling for Moroccanization of the self, solidarity and self-reliance?

[Answer] Yes, indeed. Because of the number and variety of solutions raised to get out of our present crisis and its complications, our party often has called for Moroccanization of the self, because this Moroccanization, wherever it occurs, on all levels, is what will draw the respect and esteem of all of us. Meanwhile we all realize that Moroccans are dependent on their own potential and capabilities and on the opportunities given them through the exploitation of this potential and these capabilities to move out toward new horizons of advanced development, ambitious growth and open democracy. One of the principles closely connected with Moroccanization of the self is our emphatic appeal to the principle of national solidarity, not as the embodiment of the bond of mutual responsibility and mutual love and respect among members of the society alone, but also as a national requirement forcing prosperous groups in this special circumstance to take poor and needy groups by the hand, even if this requires the introduction of legislation which responds to this national principle and achieves its spirit and meaning in our social life.

[Question] "Open democracy, the correction of conditions, development of the desert, rejecting the path of bias and narrow factionalism" are expressions you often have included in your speeches. We ask why?

[Answer] Our Rally, which is an organization shaped by national qualifications and capabilities, is intent on pursuing a line which is responsive to various perceptive ideas and practices and rejects both the path of being closed off and the narrow factionalism which has frequently hurt the higher interests of the nation and its citizens. The Rally considers itself far-removed from narrow-mindedness and self-absorption in rigid ideological formulas. It does not consider the political arena in Morocco to be based on one organization or another. It does not think of the options as definitive alternatives subject to neither criticism nor review.

On this basis, we have not been afraid to condemn those who attempted to form local community councils, wanting to transform them into party "shops" responsive to one segment of the population and closed to others. In this way responsibility in the hands of that segment would become a "gift" which that segment would give to whoever attracted it and would deny to whoever did not please it. God forbid that there is anything in this behavior which corresponds to the democratic process, its precepts and principles which impose as a condition the assumption of responsibility.

As for the correction of conditions, by achieving what I discussed previously with regard to economic conditions, we can settle all the problems we face at home and abroad through the responsibility, determination and commitment required. Of foremost importance is to stand firmly to enable the Greater Arab Maghreb to pursue roles of great significance, whether as a security force with respect to the Mediterranean basin; an Arab, African and Islamic power with respect to the Middle East problem; or an economic power with regard to the European Common Market.

As for development in the desert, the National Rally of Independents has referred more than once to the fact that the successive development plans undertaken in the country rarely flow in their proper course (in other words, the

countryside) which occupies a large and important area of the Moroccan map from a geographic, social and demographic standpoint. This is a shortcoming with regard to the countryside. The countryside remains the main source of problems for the cities, and the problems are growing day by day. In order to correct this shortcoming, we feel it is necessary to draft an integrated development program serving the entire countryside, not the farm sector alone.

[Question] The legislative elections are imminent. There is no relaxation in the war the other parties have continued for the leadership of counterpart organizations such as federations of labor, youth and women. You told the national council of your party recently that in order to avoid the Balkanization of these organizations, they must accommodate various political orientations and currents, and not the contrary. This is swimming against the current. Why?

[Answer] Basically we reject the mixing of political activity with the kind of activity promoted by organizations such as labor unions and other counterpart federations. We genuinely know that our goal in adopting this orientation is to seek to crystallize activity in an atmosphere guaranteeing the achievement of national solidarity which serves the general good of the country. Under no circumstances are we seeking love of tyranny or pomp as a new political current.

The National Rally of Independents believes in everyone's presence on the national scene. Therefore it feels that it is neither necessary nor inevitable that every political party have a union of its own. It is our belief that in order to avoid the Balkanization and slandering of the union organization on the battle grounds and in the labyrinth of political debate, the union organization should focus all its goals toward defending the interests of all workers, no matter what their political affiliations, because the important and fundamental point is to maintain, guard and support these rights most fully. This alone will make it possible to avoid the effects of dissension and division which certain political parties have experienced and which inevitably have reflected on the structural nature of the union organization. The union organization must accomodate various political orientations and currents in the country.

[Question] Among other things, your party calls for striving for citizens' interests, going into the street and responsiveness to various ideas and practices. Do you think that the other parties lack these characteristics or do not pursue them adequately?

[Answer] The National Rally of Independents welcomed its counselors who were elected in municipal and village councils, and foremost among them were the presidents of these councils. I asked of them what we always strive to ask of all leading cadres in our political movement. I asked them to make a greater effort on behalf of citizens' interests and a greater commitment to defending these interests. They will not be expressing in truth the popular base, as long as they do not go into the street and talk with citizens attentively, with modesty and with understanding of their needs and demands and as long as they do not strengthen their ties with the masses, respond to their hopes and aspirations, study their problems and discuss their real concerns and urgent needs.

[Question] In this connection, did results of the municipal and village elections which took place on 10 June of last year, meet your hopes? Furthermore, can they be considered a gauge for the coming legislative elections? What is your position on these elections?

[Answer] Results of the municipal and village council elections held on 10 June last year unfortunately did not meet our aspirations. They cannot be considered a gauge for the coming legislative elections in view of the violations we detected.

Our position on the elections always has been clear. Therefore we must be optimistic, since we expect the coming elections to be held in a more favorable atmosphere than that of the 1983 municipal elections. It is also our hope that coming electoral operations will be carried out in the healthiest circumstances, so Morocco may shine, especially at this time when we need the zeal of citizens and their total mobilization for a better tomorrow.

[Question] How do you evaluate your participation in the present government? What is your opinion about political rumors to the effect that your party is the strongest candidate for some government or other after the legislative elections?

[Answer] We are in a government with a limited function. Even though we have not stated the rights we deserve from responsibility for this government, and our participation in practice is symbolic, we would never shirk responsibility when we call for the assumption of it. Here we are today sharing in negotiations and expressing our opinion. What is important is not the posts and seats or even their number. What is important is giving and working for the nation and its survival.

As for rumors in the street about our being a candidate for some government or other after the elections, that cannot be foreseen now, until after elections are held in the atmosphere we desire and seek.

[Question] Meetings of the joint Moroccan-American cooperation commission and meetings of the Moroccan-Soviet commission took place at almost the same time, during the month of May. It seems that this is an indication that Morocco wants development through any means, though this does not deny the special character of the Moroccan-American relationship. How do you weigh current relations between Morocco and the Eastern and Western camps?

[Answer] Morocco is a free and sovereign nation maintaining the strongest and closest ties and relations with the Eastern and Western camps, in particular with the Soviet Union and the United States of America.

It is worth pointing out that the amount of economic and commercial cooperation with Moscow is not less than that which now exists with Washington. The greatest proof of this is the al-Qarn agreement which I had the honor of signing with the Soviet Union on behalf of Morocco when I headed a former government. It was for the exploration of the Muscala phosphate mine, to be specific.

[Question] The Iran-Iraq war, events in Lebanon, Afghanistan, Palestinian disputes and the Arab-Israeli struggle are all problems you have discussed often in your political speeches. Our question is how do you view the new factors in these critical problems?

[Answer] With regard to the decisive turning point which the Arab and Islamic nation is facing, it cuts us to the quick to see the kindled flames of dispute, internecine warfare and killing among Muslim and Arab brothers. This consolidates the schemes of the enemies of Islam and Arabism. It promotes their conspiracies which aim basically at halting the Islamic and Arab march forward and keeping it crushed under the yoke of trusteeship, subordination, degradation and all kinds of old and new imperialism. For this reason in our hearts we pray with grief and sorrow over what has happened and what is happening in Lebanon, in Afghanistan, among Palestinian brothers, between Iraq and Iran, and in other such brotherly Arab and Islamic situations.

Believing in the spiritual, pan-Arab and national basic premises to which we have dedicated ourselves, we totally back the legitimate leadership of the PLO, and we give our blessing and support to all steps and efforts which our brother Iraq, the UN secretary general and arbitration and conciliation committees are making to find a peaceful solution to the ongoing war between Iraq and Iran.

[Question] Finally, hopes for building the Greater Maghreb have sunk to the point of zero, despite an opening represented by the meeting between the king and the Algerian president in February 1983. Does your party have a plan for overcoming the obstacles, and does it have proposals to design a way to achieve this aspiration?

[Answer] As for us in northwest Africa, we have hoped always that our Greater Arab Maghreb would be a model of the cooperation, interaction and integration which should exist among a group of brotherly and friendly countries united by the closest ties of brotherhood, religion and common history. Therefore we must keep these hopes firm in our beliefs and thoughts and work to achieve them with all our efforts and energy. In this way we will fulfill our commitments and obligations and protect the interests and desires of the peoples of the Arab Maghreb, one and all.

7811

CSO: 4504/375

PARTY LEADER YATA CALLS FOR CHANGE IN GOVERNMENT POLICY DIRECTION

Paris AL-MUSTAQBAL in Arabic No 390, 11 Aug 84 pp 26-27

[Interview with 'ali Yata, secretary general of the Party of Progress and Socialism, by Muhammad al-Ashhab: "Ali Yata to AL-MUSTAQBAL: No Solution to Morocco's Economic Crisis Without Abandoning Liberal Rule"; in Rabat, date not specified]

[Text] Rabat--the Distinctive position occupied by the Moroccan Party of Progress and Socialism formerly the Communist Party as a voice with a special flavor in Moroccan and Arab political life makes the dialogue with Ali Yata, this party's general secretary, an important way to understand the extent of Morocco's capability to absorb the opposing voices within a democratic climate.

[Question] It seems that you have put forth specific conditions for your participation in the elections. Can matters reach the point of a boycott if these conditions are not met?

[Answer] We have not put forth conditions to this effect. What we have put forth is our own visualization of the manner in which the elections should take place--a visualization in the form of proposals and demands whose main objective is to make the new election experience successful and to bolster democracy in our country and establish it on firm foundations.

We do not expect all these proposals and demands to be crystallized in order that we may take part in or boycott the coming elections. We are not advocates of the approach of all or nothing. Democracy as we view it and with its political, economic and social content cannot be achieved all at once. Rather, it only emerges after a long and bitter struggle, through solidarity among the progressive forces to impose those demands and through the ongoing struggle between the supporters and enemies of democracy.

In the current phase, our party's main emphasis is on seeing the forthcoming legislative elections conducted in a sound and impartial atmosphere, coupled with neutrality on the part of the administration, with refraining from the misuses of power and with dealing with the participating political parties on an equal footing, regardless of whether they are government or opposition parties, and also coupled with expanding the public liberties of all citizens. In our

view, these measures serve nothing other than democracy and the homeland's supreme interest. The current government and its committee which is comprised of the leaders of six parties and which is in charge of impartiality of the elections must abandon its silence and declare to the people the plan and measures adopted in this respect.

It is evident from all this that we are not inclined toward a boycott but seek to guarantee the best conditions for participation.

[Question] You have presented proposals for unifying the leftist forces. How do you interpret the rejection of these proposals by some of the leftist organizations?

[Answer] The fact is that neither our proposals for the unity of the left nor the principle of unity itself is rejected. But neither is there any acceptance of these proposals. This does not mean that the unity must be as we see it and as comprehensive as we have defined it. The unity of the left is subject to objective and subjective factors and is governed by the nature of the political changes occurring in society and by the balance of powers within the left itself which seeks this unity.

Any common action among the leftist parties, regardless of how small its dimension and regardless of its form, is desirable and encouraged in our view point because its results cannot but be in the interest of our people.

We have proposed a broad unity of leftist forces on the basis of a common plan, a common program and a common representative of the left in every election district and at the level of the homeland. If our allies do not approve these comprehensive proposals, then we will try to reach a common program while maintaining the freedom to nominate candidates. If we do not succeed in this, we will try to conclude limited agreements in a number of election districts, keeping in mind that we, as a party, can cover most of the election districts, keeping in mind that we, as a party, can cover most of the election districts, i.e., nearly 200 districts.

In any case, the main objective is not to allow the coming election campaign to be conducted in an atmosphere of fighting among the leftist forces but rather in an atmosphere of a reasonable and essential struggle between the opposition leftist parties on the one hand and the rightist parties that have taken part in the government for years on the other hand.

[Question] Do you expect your party to achieve tangible progress in the coming elections? On the occasion, was your participation in the previous parliament up to the level of your aspirations?

[Answer] We do not view the party's progress from the angle of the results it achieves in the elections. This criterion is fit only in countries that have made long strides in the sphere of democracy and where the conditions of impartiality, equality and broad liberties are present. The collective urban and rural elections undergone by our country in the summer of last year reaffirm this fact. Our party was denied the most important things from which the

others benefited and was treated in a special way throughout all phases of the elections, whether in terms of election color or notification of cut-offs and election dates. The method of surprise was used against us and we were prevented from holding several meetings and from expressing our views on radio and television and even from nominating hundreds of candidates. Our comrades and supporters were also denied the right to register on the voters lists, not to mention the violations in the processes of vote counting and in announcing the results. In a word, they were horribly forged elections, as attested even by the forging parties which were the primary beneficiaries of the forgery.

The votes and seats allotted for us did nothing but strengthen our self-confidence. All those violations would not have been committed against our party had not the right been aware of the party's real influence. I have cited this example to emphasize that what the party expects of the coming elections is tied to the degree of impartiality and credibility that will be experienced in these elections.

As for the previous parliament, all know that it has not been up to expectations. It has been an outfit in the hands of the government--an outfit through which the government has passed its projects and bills. A large number of deputies do not take the trouble of attending.

As for our party, the presence of a single representative from this party in the parliament has been enough to demonstrate the party's policy, to expose the right's methods and policy, to defend the citizens' issues and to present these issues to the officials. The party has presented nine bills serving the interest of the toilers but these bills have been turned into marginal bills with hundreds of written and verbal questions concerning various issues, with tens of queries and with hundreds of instances of intervention.

Our objective has been that of bolstering our country's democratic experience and of using the parliament's podium to present the people's problems. Our credit from this confirms that what is important has been achieved. As for the rightist majority, its contribution has been confirmed to entrenching the crisis and to seconding the government's unpopular options.

[Question] In case the Socialist Union takes part in the government, what will your position be?

[Answer] We are not opposed to the Socialist Union's or to our party's participation in a future government. The problem pertains, in our view, to the essence, i.e., to the extent of the positive nature of such participation and to its service to the country's and the people's interest. This participation must take place on the basis of a clear government action program capable of confronting the difficulties our country is experiencing in all spheres. This dictates changing the failing general direction and adopting new options and policies.

In any case, our party will take a proper, objective and unhesitant position in such cases.

[Question] Do you see in the horizon a political solution to the Sahara conflict--a solution to whose formulation the political organizations of the Asab Maghreb countries contribute?

[Answer] The solution to the Sahara conflict cannot but be a political solution. In our view, such a solution is possible through implementation of the Nairobi resolutions on holding a referendum in our Sahara provinces under the supervision of the OAU and the United Nations.

We fear that foreign involvement with POLISARIO will contribute to the escalation and that the tension will deepen and will have graver consequences that may be tantamount to a catastrophe to the area's countries and even to all the Arab countries.

[Question] From your party's viewpoint, what is the means to tackle Morocco's economic crisis?

[Answer] This crisis in our country is a deep-rooted general and structural crisis and it is not easy to tackle it without major and fundamental changes at the roots of this crisis.

The alternative proposed by our party takes all these aspects into consideration. This alternative is based on the need to change the direction and to abandon the liberalism adopted by the rulers as an option since the dawn of independence. This is the very same option that has led the country to becoming subservient to world capitalism, to impoverishing millions of Moroccans and to exposing them to unemployment, ignorance and varied delinquencies.

This direction is no longer fit and it has demonstrated its absolute inadequacy and bankruptcy. This is why it must be changed and replaced by another direction founded on new principles established on self-reliance and the country's capabilities and on mobilizing the people and serving the broadest masses.

Therefore, what we propose is based on introducing fundamental changes in our country's economic structure, including nationalization of the most important industrial, financial and commercial establishments, carrying out a fundamental agrarian reform that enables the poor farmers to get land and the requirements of agriculture and establishing a new policy in the field of housing, health and education--a policy that meets the people's needs and responds to their desires. This alternative is founded on insuring the workers' and employees' rights, on enabling women to get their rights, on expanding public liberties and on providing youth with the material and moral assurances that touch off their creativity and utilize their capabilities in building and construction.

These are some general features of the alternative we propose. In our view, it is the only alternative capable to tackling the current crisis. Clinging to the liberal options will only intensify the situation.

8494

CSO: 4504/419

III CORPS COMMANDER DISCUSSES DELAY OF IRANIAN ATTACK

London AL-DUSTUR in Arabic No 335, 13 Aug 84 p 11

[Interview with Iraqi III Corps Commander Staff Maj Gen Mahir 'Abd-al-Rashid by 'Abd-al-Wahhab al-Qaysi: "Who Is Playing With Whose Nerves?"; at the East al-Basrah Front, date not given]

[Text] AL-DUSTUR met with Staff Major General Mahir 'Abd-al-Rashid, commander of the Iraqi III Corps of the East al-Basrah front, and questioned him about why the Iranian forces called off their last attack, and about the military situation on Majnun Island. Here is the interview.

[Question] The anticipated Iranian attack came later than announced by the Iranians. How do you evaluate the situation?

[Answer] A short time ago Rafsanjani announced that the postponement of their anticipated attack was intended to make the Iraqis nervous. By making this statement, he wanted to cover up the uncertainty among the Iranian combatants, arising from their lack of conviction in the legitimacy of what they are doing, and the plotters' indecision as to who would benefit from the hostilities against Iraq, now that they have realized that any future attack will result in total annihilation, God willing.

In any case, the Iranian forces are still there, undergoing training on some models of our defenses, on transporting troops, especially by helicopters and on crossing rivers. We anticipate all of this, and we are acquainted with the details. In fact, everything depends on the plan which they intend to execute. As for ourselves, we have set the stage for the operations, under orders from the general command, so as to force the Iranians, if they attack, to follow such courses and directions as to achieve our required aim: the annihilation of the attacking force, not just their defeat. Therefore, it is now perfectly clear that we have forced them into attacking the right flank of III Corps and crossing of the west bank of the Shatt al-'Arab. I feel that in a short time they will make this the main direction of their future attack, if they dare launch it at all.

On the basis of our estimates, and without any knowledge of information which the armed forces general command considers classified, we firmly believe that anyone who attempts to cut off the corps from this or any other direction, or

from the Shatt al'Arab direction, which is the particular area of operations of the Shatt al-'Arab command--my apologies to the Shatt al-'Arab operations command--will meet with sudden death or imprisonment.

In response to Rafsanjani, who says that the postponement of their attack was an attempt to play on Iraqi nerves, we say that our aim is clear: to defend Iraq at its international borders. The Iraqi fighters are stationed in the battle trenches, living under conditions similar to those of their Iraqi brothers in the villages and towns, while the Iranian forces are waiting in the open. Who is playing on whose nerves?

We anticipate all this, and we are familiar with the smallest details, one by one, and with everything they do and the plan they intend to follow. On our part, we are prepared to confront them. So who is playing on whose nerves?

[Question] Do you expect the Iranians to use human waves to attempt to penetrate Iraqi defenses, or do they have some other method this time?

[Answer] They might use the human wave method or some other method, or they might combine the two. They might go in one direction or another, but the important thing is that they are facing the impossible in trying to penetrate Iraqi defenses. There are certain requirements for that, and the deciding factor will be the exemplary commitment of the Iraqis, with the help of almighty God.

[Question] In all the Iranian attacks, the Iranians frankly stated that in so doing they were occupying a kilometer of Iraqi territory. When they were faced with the facts, they would say that their land was occupied, and then would state that they had occupied the "Majnun Oil Field." What is the current situation in the Majnun field?

[Answer] The present situation on Majnun Island is that we hold the dry part, which ensures good logistics for our military operation. We have flooded the other part with water and forced the Iranians out of it. Their presence is insignificant and limited, especially on the northern island, "Little Majnun," where their lines consist of remnants of earthen barricades or mounds in the Ghawr al-Huwayzah border area. Their presence there has no effect on our military operations in the East al-Basrah area.

8559

CSO: 4404/627

SOUTHERN GOVERNORATES CARRY OUT ROAD, BRIDGE PROJECTS

Baghdad AL-JUMHURIYAH in Arabic 13 Jul 84 p 9

[Article by Hamdi Karim Muhammad: "Paved Roads and New Bridges for the Southern Governorates"]

[Text] In spite of the hostile war conditions to which our struggling country has been subjected by the deceitful, swindling regime in Qom and Tehran, construction and development is progressing rapidly throughout the governorates, just like the victories of the al-Qadisiyah legions.

New Roads

The best testimony to the scale of these service projects is what the agencies of the State Establishment for Southern Road Construction have accomplished in Maysan, Dhi Qar, al-Basrah, Wasit and al-Muthanna Governorates. Scores of roads have been built and paved, and bridges and crossings have been built in various areas. In order to find out what this establishment is doing, AL-JUMHURIYAH met with Establishment Director General Eng Qays Hashim al-'Adhari, who said, "The establishment's projects include the construction of hundreds of kilometers of roads and related services. Some 590 kilometers of roads have been re-asphalted, 670 kilometers of roads have been widened and their shoulders have been reinforced, and 1,154 kilometers of roads in Dhi Qar, al-Basrah, Maysan, Wasit and al-Muthanna Governorates have been paved. A total of 2,465 kilometers of roads have been built, while 1,311 kilometers of roads are under construction.

"Some 49 truck parking areas have been built along the main roads, and guard rails have been installed along 23 kilometers of roads. Highway warning and regulatory signs have been installed along 157 kilometers of roads, and 39 bridges have been repaired--5 in al-Basrah, 13 in Maysan, 18 in Dhi Qar, and 3 in Wasit Governorate."

Filling in Low Ground

The director general of the southern roads establishment reviewed its work in the southern governorates, which include filling in low-lying areas and building various parking areas. He said, "Within the city centers and districts, 251 kilometers of streets and 56 parking lots have been built, and 16,000 cubic meters of low-lying areas have been filled in throughout these governorates."

Direct Construction Method

The establishment's director general referred to the efforts made by the technicians and laborers of the southern governorates' road agencies to complete these numerous projects, and cited the progress achieved by the establishment's installations and workshops. He said, "To date, 33 asphalt plants, 37 gravel crushers, 17 soil sieving machines, 5 central points for storing vibrating rollers, and a concrete plant have been set up, and 5 new buildings for governorate road directorates have been built."

He pointed out the importance of the direct construction experiment [use of government-owned equipment and direct hire labor] carried out by the establishment's agencies, their success and high level of performance, and their role in reinforcing this impressive experiment so as to strengthen our national economy during this decisive phase.

8559

CSO: 4404/614

TELEPHONE SERVICES BEING IMPROVED THROUGHOUT IRAQ

Baghdad AL-JUMHURIYAH in Arabic 20 Jun 84 p 7

[Article by 'Adil al-'Ardawi: "One Million Telephone Lines for the Citizens of Baghdad"]

[Text] Over the past 2 years, the State Organization for Post, Telegraph and Telephone has made a great leap forward in providing better telephone services for the inhabitants of Baghdad City and the country's other governorates.

Director General of Post, Telegraph and Telephone Services Khalid Mawlud al-Hani made this announcement to AL-JUMHURIYAH, adding that the leadership of the party and the revolution, led by President Saddam Husayn, has been giving special concern and attention to the services sector, particularly post and telegraph services. Telephone lines in Baghdad City have been increased from 400,000 lines in 1983 to 1 million lines in 1984, and 17 modern automatic exchanges have been built to handle existing lines and to meet the citizens' home telephone installation requests, some of which date back to 1 January 1982. These improved services were achieved through constant, daily work by installation teams which would go around assigned residential neighborhoods to provide them with telephone services, notice having been given to the residents by the public information agencies.

National Expertise

The director of post and telephone services added that an essential element in providing these services to such a significant, tangible extent has been the utilization of the most modern international technological and scientific methods in the field of telephone services, which has given our own people the opportunity to increase their own expertise. Our people are carrying out this work at a time when our struggling country is immersed in its just struggle against Iranian aggression. Right now they are installing and moving hundreds of telephone lines in Baghdad all by themselves, without the help of foreign experts in this field.

The New al-Muthanna Exchange

The director general discussed the telephone services available to the inhabitants of the governorates, saying that as part of the leadership's concern over this vital utility, the country's governorates have been provided with the most modern automatic exchanges, thereby meeting the citizens' need for telephone services. Domestic and overseas communications for the governorates have been streamlined. In al-Muthanna Governorate, work is being expedited so that another new exchange, which will handle 10,000 telephone lines and will replace the governorate's old exchange, can be finished by October 1984.

8559

CSO: 4404/614

NEW BRIDGES BUILT IN BAGHDAD, GOVERNORATES

Baghdad AL-JUMHURIYAH in Arabic 23 Jun 84 p 6

[Article: "Six New Bridges Opened On the Occasion of the Anniversary of the Glorious July Revolution"]

[Text] The State Bridge Construction Establishment of the Ministry of Housing and Construction has completed six bridges in Baghdad and the governorates, and work is in progress on other bridges costing a total of 328 million Iraqi dinars.

The establishment's director general told the Iraqi News Agency that it is hoped that the six bridges, which cost 64 million dinars, will be inaugurated during the coming nation-wide celebrations of the sixteenth anniversary of the Glorious July Revolution (from 17 to 30 July).

He added that the first of these bridges, located in the al-A'zamiyah area, is 30 meters wide, 460 meters long, and 55 meters high. It has three lanes in either direction, and pedestrian walkways each 1.5 meters wide on either side.

During the project's second stage, which has already begun, the bridge is being connected to 14 Ramadan Street by 2.5 kilometers of approaches and secondary bridges.

A study has been completed on connecting the bridge's northern approaches with the al-A'zamiyah Corniche Street in the direction of the Muhammad al-Qasim Expressway, thereby making the bridge a part of the expressway system.

He pointed out that this is Baghdad's second suspension bridge, and meets advanced international engineering specifications. It is supported by one tower, with the suspension cables connected to the bridge on either side of the tower.

The second bridge, in Baghdad's al-Sanak district, is 600 meters long and 21 meters wide. It has two lanes in either direction, and two 1.5-meter wide pedestrian walkways. Two parking lots are connected with it, and on the

al-Risafah side its approaches end at al-Jumhuriyah Street and on the al-Karkh side they pass through Housing Area Number 10. It has railings and underpasses according to specifications, and is decorated in the Arab-Islamic style.

The third bridge, the Saddam Bridge in al-Mawsil, has three lanes in either direction and is 648 meters long and 31 meters wide. It connects the new al-Mawsil-Kirkuk Road with the al-Mawsil-Baghdad Road.

The fourth bridge, located in Maysan Governorate, is 350.5 meters long, and its approaches are 3 kilometers long. The fifth and sixth bridges are located in al-Basrah Governorate, and each one is 75 meters long.

The establishment's director general pointed out that 30 projects will be completed by the end of this year, including nearly 100 bridges and their approaches costing 264 million dinars. These projects also include seven canal crossings over the al-Jaysh Canal and 32 bridges with underpasses, in addition to other bridges in Diyala, al-Ta'mim, Ninawa, Salah-al-Din, al-Anbar, and al-Muthanna Governorates.

8559

CSO:4404/614

ROADS PAVED, SWAMPS DRAINED IN AL-NASIRIYAH

Baghdad AL-JUMHURIYAH in Arabic 24 Jun 84 p 4

[Interview with Dhi Qar Governor Majid Hamid al-'Ayid by Muhammad Shakir al-Saba'; in al-Nasiriyah, date not given]

[Excerpt] "Well, sir, what do you think of the city?" "The one floating on the big swamp?" "Merciful God, you are talking about a long time ago." The man has his excuses, which he changes into an impenetrable armor. We shall pull him out of this armor and give him a guided tour through the God-given revolutionary era which has shaken up old situations, which are bowing out so that our new life can take their place. So, let us go to the city together.

The Rebirth of the City

Before we enter the city, we must be just, or at least objective, for then we see that the man was right. Ten years ago the city was surrounded by a great many swamps, or, rather, all those swamps coexisted with mankind within the city. How can you blame a man, when he could see that for himself?

But what city are we talking about? Al-Nasiriyah, dear sirs.

Meanwhile, the man's armor is disintegrating and he is spinning around in bewilderment and perplexity, wondering whether this is the city he was thinking of. It can't be! But we insist that it is, indeed. This is the city of al-Nasiriyah. "But where are the swamps?" "Don't be so stubborn, man. Obviously, your mistake is that you have not taken time into account, and this time is the time of the God-given revolution." Even with the crumbling of his armor, there is no use in accompanying him. So we begin going around the streets and the shops, the old and the new. Sometimes, or even most of the time, travelling from one era to another is like going through childbirth. Has al-Nasiriyah been reborn? The building activity and street construction says that it has.

We began walking slowly, for there is no use in rushing over asphalt compressed as hard as rock. One's two feet are the best means for such a journey. From the very first step, we made up our mind not to worry too much about statistics. We would do so only after we had seen every part of the new al-Nasiriyah.

"When I assumed my responsibilities, we began with first steps, and 5 months later President Saddam Husayn visited us." This was the surprise which complicated the course of our tour or trip or whatever word best describes this journey. Dhi Qar Governor Majid Hamid al-'Ayid's words opened up all sorts of possibilities for us at once. But how to find the right starting point? Therefore, let us start with [the president's] auspicious visit to this worn-out city. [The governor said,] "The men were working in Hala Street, and the work was just about finished. Suddenly, there among the men was the leader and president. Such was the unexpected visit."

"The president inspected the work himself and gave instructions, after expressing his pleasure with the projects to be constructed and hinting that there would be some help for Dhi Qar Governorate."

These last words, as mentioned by Governor Majid Hamid al-'Ayid, were the golden key that opened up all the locked doors, changing al-Nasiriyah's circumstances to a point where the swamps shriveled up and left the city. The al-Nasiriyah of today is not the al-Nasiriyah of yesterday, of which men have bad memories. But we are hurrying more than we should, and we must go back and walk slowly, not quickly, along the asphalt-paved roads. President Saddam Husayn hinted there there would be help for Dhi Qar Governorate in changing its old clothes. What then?

Governor Majid al-'Ayid says, "We have nothing but profuse thanks for the president. When he visited us in 1983, he promised us that that year would be an outstanding one in the governorate's history."

[Question] In what way?

[Answer] That year the governorate made progress in many fields. The most important thing was that President Saddam Husayn's visit spurred us on and gave us impetus. This is the secret behind the intensification of our efforts through the president's directives.

1983 passed over al-Nasiriyah, sowing good things everywhere. The city had been exhausted by all those watery areas, and there was a continual encroachment upon the streets because most of the time the walls of the houses were right up against the street. This caused not only inconvenience, but hardship as well. At that time, they began changing the alleyways through which people, cars and bicycles passed, and eliminating those water-logged areas which harbored diseases, epidemics and foul odors. And now we come to the overall governorate figures. It was decided that 226.5 kilometers of streets would be paved in the municipalities, and that the paving would meet all technical specifications. The total cost, if given to contractors and done according to specifications, was figured at 16.2 million Iraqi dinars.

A Gigantic Job

No doubt this figure arouses amazement, but Dhi Qar Governor Majid al-'Ayid appeared quite delighted as he said, "We have saved 11,255,895 dinars already, and the work is high quality."

[Question] How was this savings achieved?

[Answer] Through popular work. We were not able to proceed as fast using popular work, especially since the streets of al-Nasiriyah are many and wide. There are also the streets in the districts and sub-districts, and the swamps.

We agreed with the governor, who explained the situation as follows. "Many things about popular work make it possible for us to describe it as a gigantic task. First and most important is the support which we received from President Saddam Husayn. When I became governor, and before this major assistance came through, the governorate's resources were roughly equivalent to those of a small district in any other governorate."

[Question] And the second thing?

[Answer] That was the formation of popular work teams. Eleven such teams were formed in the capital, and seven in the districts and sub-districts, and each team had its own equipment and workers. The city was divided into sections with a popular work team being responsible for each section.

At first glance, it might appear that the teams and sections were familiar with paving old streets and draining large swamps, but the statistics which we will quote will show the shortcomings of such a notion. Figures show that in the capital city there are only 157 streets with a total length of 103 kilometers. Therefore, let us go into the details quickly, for they are unequivocal. The first thing Dhi Qar Governor Majid al-'Ayid said was, "Popular work was very fruitful. The work done by the popular work teams is no different from that of the combatants on the front, because our struggle is all-inclusive. They fought together on the front, and today they are fighting on the domestic front."

The governor went on to say, "Formerly, the popular workers would wage a bitter struggle to pave one street, whereas now the team is responsible for an area, and the head of the team is the chief of the municipality wherein the area is located. He is responsible not only for paving, but for sidewalks, streets and swamp drainage as well. What is new about popular work is that the team, not the governorate official, has the initiative. Therefore, the employee has become something more."

[Question] How so?

[Answer] The employee, especially one who works on a popular work team, is not an "effendi" [white-collar worker]. Furthermore, the job of the popular work team is not limited to paving roads and filling in swamps, but includes helping raise the citizens' awareness. Our job now is to take a forward step, with the citizen, in the course of civilization.

Majid al-'Ayid stresses a fact he is proud of: "The worst streets are not the roads full of excavation rubble, but are, rather, the negative inroads on the frame of mind of the citizens, who are the means and the end of the revolution."

Al-Nasiriyah is entering its golden age, and here for the second or third time we come up against the statistics, which are in no case insignificant. If we remember that most of the streets were paved last year, then one total figure cited by the governor is enough to delineate the gigantic task accomplished in this governorate: Last year we paved as much as was paved over the past 18 years. Who can believe that this figure is not worth its weight in gold? And more huge figures gush forth behind it. Dhi Qar Governor Majid al-'Ayid says, "Prior to 1983 the governorate used 300 tons of pavement asphalt, but this year alone it used 5,286 tons."

8559

CSO: 4404/614

FOREIGN DEBT REACHES \$17.5 BILLION

Tel Aviv MA'ARIV in Hebrew 25 Jul 84 p 5

[Article by Shraga Mekel: "Israel's Foreign Debts Reached 17.5 Billion Dollars at End of March"]

[Text] At the end of March, Israel's net foreign debts reached \$17.5 billion--an amount similar to the debt level at the end of 1983, yet exceeding the debt at the end of March 1983 by \$1.2 billion. This was seen in data provided by the Central Statistics Bureau. The gross debt reached \$28.5 billion and by deducting the economy's foreign currency reserves of \$11 billion we get the net debt of \$17.5 billion.

In addition, according to Bureau statistics, no improvement in Israel's balance of payments occurred. Although commercial exports rose by 8 percent, which is nearly \$200 million, this improvement was offset by an increase of military imports. The total deficit in Israel's balance of payments for the first quarter of this year came to \$1,111,000,000, approximately that of last year (\$1,115,000,000).

During the first quarter of this year export of goods and services totaled \$2,611,000,000. The increase was recorded in export of the goods (from \$1,426,000,000 in the first quarter of 1983, to \$1,619,000,000 in the first quarter of this year). In the various items of services exported, which came to a total of \$991 million, which is comparable to the same period last year, a mixed trend was recorded: income from interest fell by 10 percent coming to \$309 million in the quarter under discussion. Income from foreign products fell by 5 percent, reaching \$175 million during the quarter discussed (this drop was recorded principally as a result of a decrease in income from Israeli hotels). These decreases were offset by a rise of 14 percent in income from the whiplight of goods and from other services in the transportation branch.

The import of goods during the first quarter of this year came to \$2,129,000,000, 7 percent more than the value of goods imported during the same quarter last year. These imports include \$317 million in direct military imports, as opposed to \$161 million in the same quarter last year, when military imports were particularly low. Thus, the overall rise recorded in the import of goods stems from an increase in direct military imports, while other imports remained stable. Imports of services for the first quarter, which totalled \$1,592,000,000 dollars, rose by 4 percent compared

with the same quarter in 1983. The most outstanding feature in the items of services imported is the payments of interest abroad, which this quarter reached \$779 million (a rise of 12 percent over the same period last year). This rise was partially offset by a decrease in expenses spending of Israeli tourists abroad (\$111 million) which was 19 percent less than this expense for the same quarter last year. This decrease is attributed to the decrease in the number of Israelis traveling abroad during the first quarter of this year.

Total export of goods and services came to 70 percent of the total value of imports, compared with 68 percent during the same quarter a year ago. Forty-two percent of the surplus in imports was covered by one-sided income. This income came to \$462 million during the first quarter of the year (a decrease of 13 percent compared with the first quarter last year).

The private sector and nonprofit institutions reduced their transfers to Israel from \$343 million to \$255 million during the quarter under discussion. Income of the Government of Israel rose by 10 percent (parallel to the increase in military imports) and came to \$207 million.

The total foreign debts of the economy decreased during the first quarter by \$983 million compared with an \$80-million decrease during the first quarter last year. Debts of the banks abroad, principally short term debts, decreased by \$1,150,000,000 compared with a decrease of \$1,092,000,000 in the same quarter last year. These decreases in bank debts are for the most part seasonal.

The net increase in government debts was \$106 million; and here as well a decrease in short-term debts and increase in long-term debts was recorded. During the same quarter last year government debts rose by \$822 million, about half of which were short-term debts.

9182

CSO: 4423/68

HEALTH MINISTRY TO IMPROVE FOOD QUALITY, SAFETY

Tel Aviv HATZOFE in Hebrew 25 Jul 84 p 5

[Article: "Legislative Steps To Improve Quality and Safety of Food in Israel"]

[Text] The Ministry of Health is taking legislative steps to improve the quality and safety of food in Israel. The new regulations concern additive substances and labeling and should place Israel among the most progressive countries in the world in these areas.

For health reasons, within one year all artificial colors in almost all types of food will be forbidden. From this date, the color of all food products sold in Israel will either have to be natural, or from the addition of natural food colors only.

Due to the connection between the consumption of sodium and high blood pressure and heart disease, the amount of sodium contained in most food products will be contained on the label, effective 1 January 1985. Thus, the consumer will be able to moderate his intake of sodium and to prevent overconsumption. This legislation parallels a similar trend now observed in the United States.

One year later, in January 1986, legislation requiring labeling of food content will go into effect for most food products. This means it will be required that the quantity of energy (calories) in 100 grams of the product must be listed, along with the nutrient content (protein, carbohydrates, and fat) and the amounts of principal vitamins.

Also now going into effect are a set of new regulations governing the use of artificial sweeteners. A new artificial sweetener, called aspartame, will be permitted for use, with certain limitations.

At the same time (for health reasons) the use of cyclamates will be outlawed in Israel totally, while use of saccharin and its byproducts must be accompanied by a clearly visible health warning on the package.

Taking consideration of the need of the industry to adapt itself to the new regulations, the director general of the Ministry of Health, Professor Baruch Modan, allotted them relatively long time periods to do so. The Ministry of

Health is of the opinion that these steps are essential to the health of the public.

The office is also completing a set of regulations relating to the marketing of food products. Among other things, these regulations permit sale of unwrapped bread only if the consumer has no direct access to the product.

9182

CSO: 4423/68

ISRAEL

INCREASE IN RESISTANCE TO CAREER MILITARY SERVICE NOTED

Tel Aviv HA'ARETZ in Hebrew 27 Jul 84 p 11

[Article by Michael Garrity: "The Young Leave the IDF; Fewer and Fewer Youth Want to Join the Career Army and the IDF Faces the Phenomena of Commissioned Combat Officers Retiring After a Few Years"]

[Text] The Israelis of 1984 are avoiding joining the IDF as careerists. The actual dimensions of this phenomenon are highly classified and preserved in files marked "Top Secret"--but those in charge of personnel services for the various branches of the IDF are not hiding their seriousness. "I hesitate even to whisper the dimensions of the phenomenon," a senior officer stated recently--"but I can state that they are great enough to demand national attention."

The practical expression of the unwillingness to serve in the career army is principally recognized in the phenomenon aptly named "Small Head." "Small Head" in army slang refers to a soldier who performs what is requested of him--and no more, for example: a soldier who is unwilling to attend officer candidate school even though his personal characteristics and officer candidate selection tests would permit him to. But "commission refusers" are not the only ones. In recent years, the IDF has faced attrition of officers and resistance in the desired professions--such as computer experts, electronics engineers and technicians--who respond to the temptations presented by industry both in the country (and sometimes in the wide world abroad) and leave the army.

The most serious wave of attrition is, in the opinion of many, that of combat officers. Officers in field units and combat pilots are requesting to be discharged after their contracts of 5, 6, 7, or 8 years run out. Thus, the IDF loses its best officers, who were intended to be the army's backbone, and amongst them officers who according to their characteristics and level (as they demonstrated in many cases in battle) showed they were of the quality material from which generals are made.

All the phenomena of avoidance of career service share a dangerous common denominator. In every instance the resignation of individuals produces a rapid chain reaction. "Commission refusers" who justify their lack of desire to sign on as careerists and to contribute their all to the IDF as they once

committed themselves to, have raised the excuses of the "Small Head" to the level of an ideology, which strengthens the position of the younger soldiers. The refusing of commissions necessarily causes positions to be filled by less able soldiers, who in turn become less able officers, and the desire to join the command amongst the young soldiers of superior quality has also decreased.

Amongst the "professionals" leaving the career army, a chain reaction has occurred: the resignation of airplane technicians, for example, has so increased the work burden of those remaining to the point that they clamor to resign. (In a few instances a more serious phenomenon has been discovered: Since some tasks must be performed although the professionals have been discharged from the army, the IDF has engaged private contractors to execute the tasks. In many cases, those still in the service see their former comrades now performing the same work as civilians for double and triple the salary and with overtime pay. It is easy to comprehend how this phenomenon hinders the motivation of those serving in the army).

In the case of the commissioned combat officers, the chain reaction is combined of all the factors: what platoon commander would want to go on to be a company commander and to sign on to serve in a battalion, when he knows the other company commanders were all "second choice," since the best officers all were released? What company commander will aspire to increase his service when he works without an assistant and his work load is doubled?

The lack of willingness of soldiers to go to officer candidate school and the "Small Head" phenomenon in recent years have become a problem that everyone is aware of. The IDF has taken several measures to fight it, helped by external factors such as assistance from the leadership of the Kibbutz Movement and the Educational System. The phenomenon of professional attrition has also been recognized as one that must be dealt with--and it was this need which strengthened the position of members of the general staff when they demanded compensation for the decrease in value of their salaries, since this has been revealed to be a prime cause for leaving active service. (This is not a matter of providing conditions comparable to those in the civilian market, but rather, meeting those professionals part way who made it clear that they were not leaving because of the attractive salaries in the civilian sector but rather because they were unable to support their families on a military salary.)

While the military system and the communications media are concerned with those refusing commissioned officerships and professionals leaving the military, the dimensions of attrition of combat officers have also grown. When an Air Force commander "prefers to refer to" the dimensions of attrition of pilots completing their service, and when soldiers report that no battalion in their brigade has an assistant battalion commander, it would seem desirable to study the phenomenon and reach some conclusion.

As in many other matters, there is always someone to place total blame on the political ranks and the Likud government. This is especially true of kibbutz members. There is no doubt that the division over the justness and necessity

of the war in Lebanon injured the willingness of kibbutz members to volunteer for commission in the career army--but to a great extent the war merely serves as an excuse here, both for young people who do not wish to volunteer for the commissioned career army, or whose education somehow failed.

For many years, in the air force the huge salaries at El Al Israel Airlines were seen as the reason for attrition of superior pilots. And yet, now that El Al has not hired new pilots for several years, it appears that the attrition has increased. In the ground forces, attrition was attributed in great part to the desire of soldiers to study. Although the possibilities for study at army expense, in exchange for signing on for extra time, were expanded, dimensions of attrition have increased.

The roots of the problem, it appears, are much deeper and more complex. Based on an unofficial sample, (which leads to the conclusion accepted by many dealing with the subject) it appears that the single most weighty factor is the load placed on combat officers. These are the officers at the tactical level at the front line, they live with their soldiers on the lines and in training, and thus to a great extent their service is one continuous basic training--to which additional superior responsibility and continuous pressures have been added. A young lieutenant who signs on for an additional year in order to become a company commander quickly discovers that the task wears him out. It is no wonder that at age 23-24 he asks to be discharged. A combat pilot who practices in the air under extreme physical and mental pressure, and when not flying spends days and nights on alert dressed in a G-suit--becomes worn out, and it is not amazing that at the end of his contract he seeks to join the many of his 25-year-old comrades who are being discharged from the air force.

And yet what change has occurred to bring about this increase in attrition? One answer is the continuing war in Lebanon. The mental wear and tear that accompanies positions of battle officership has increased considerably since commencement of the war in Lebanon--and many combat officers testify, that the problem basically does not stem from their world views or a break in the consensus. "Lebanon simply wears me out, with having to be on operations alert all the time, and worrying over the lives of the soldiers," is the explanation given by many.

An additional factor with considerable influence on attrition from service is the other side of the coin. The life style of the young 24-25 year-old age group has altered considerably over the past ten years. Young people are in a rush to complete their higher education (especially hurrying are those going into engineering and natural sciences, fields where one over 30 is considered an "old man whose time has passed.") Young people also want to tour the world--and no longer is it a hitchhiking trip through Europe which was once the "height of adventure" in the 60's, but rather trips to the Himalaya's, the Amazons, and the Land of Fire, where anyone who returns after less than a year or before travelling at least halfway around the earth, is seen as someone who stayed at home. The young also want to enjoy the freedom of action granted them at age 25--a freedom also linked with a rise in the marrying age and with the fact that they are not yet tied down to supporting a family, or to the path to military advancement.

Against all this, the appeal of the army is greatly limited. In most cases the army offers talented young officers a faster path of advancement, academic studies, or even a short spell serving abroad (in some kind of course) but in most cases these are promised "in a year or two"--when in the meantime the 23-year-old captain is asked to sign on for several years of service and to continue commanding a company under impossible workloads in the hopes that he will continue for another 3-4 years (when the chances of attrition are decreased).

It must be kept in mind that not all the young commissioned officers are spoken of here. Not every combat pilot is suitable for commanding a squadron, and not every tank company commander can be trained to serve as an armored brigade commander. However, since we are dealing with a rather small number---and based on what those responsible for the matter have said, which all indicate that steps taken are not always particularly helpful--it seems that there is room to claim that the solutions suggested at present by the army are not correct. An orderly path of advancement and academic studies as an incentive to sign on for several years of service were suitable for the youths of the 1950's. When one examines what the discharged officers do in civilian life, only one conclusion is possible, which is that what they seek is freedom and independence, and not an improved pension program, and path to long-term advancement toward age 32, which in their minds is old age.

The effort to spur these officers to remain in the career army must be done differently. Since we are dealing with a small number of people, it appears that the IDF is going to have to demonstrate a much greater degree of flexibility and original thinking in dealing with them. The present army framework permits a very small degree of freedom of action to those senior officers making efforts to entice young officers to remain in the service--even the freedom of action of the general staff is limited by a list of rules and regulations, a considerable portion of which is its own creation. Until such time as those officers (the colonels and the brigadier generals) who know and understand the young officers are permitted to create unusual solutions tailored to meet the needs of the individual (such as leave of absence without pay to work in security-oriented positions abroad for one year, or sending an officer to a six-month computer programming course even though he afterward will have to continue commanding a company of paratroopers), it appears that the trend of attrition of young commissioned officers will continue. They will also have to ignore, among other things, the "squareness" of the army, which remains square even in its attempts to convince them to remain in the service.

9182

CSO: 4423/68

BRIEFS

SCIENTIFIC PRODUCT EXPORTS--More than a third of industrial export is in high technology products. Export of high technology products, produced with innovative technology, came to 1.48 billion dollars last year, comprising 34 percent of the overall industrial exports of Israel, stated Mr Gideon Patt, minister of industry and commerce, speaking yesterday at the cornerstone-laying ceremony for a new high technology district to be built in Be'er Sheva'. The minister stated that building of this new advanced technology industrial district comprises another step toward the development of innovative industry in Israel and a considerable contribution to development of a scientific industrial base in the southern part of the country. The industrial park in Be'er Sheva' is located near the University of the Hegev and will cover an area of 120 dunams. The first structure built is to be multi-purpose and will cover an area of 3,500 square meters, planned for completion in 18 months. Investors desiring to be included in the above-mentioned park will have to meet the criteria of the Chief Scientist of the Ministry of Industry and Commerce. [Text] [Tel Aviv HATZOFE in Hebrew 25 Jul 84 p 6] 9182

ALARMING TRAFFIC STATISTICS--A total 1,096 traffic accidents, with 1,571 injured during the month of June: 29 fatalities and 300 serious injuries. During the month of June this year, the Israeli police registered 1,096 reported traffic accidents with injuries, in which 27 were fatal accidents and 236 accidents with serious injury. This was reported by the spokesman for the Central Bureau of Statistics in Jerusalem based on data provided by the Israel Police. Over the first half of the year 6,504 accidents were recorded in which 9,404 people were injured, out of which 199 were fatalities. After adjustment for seasonal factors, it appears that this figure indicates a 4 percent decrease over the same period last year in the number of accidents, and a decrease of less than 2 percent in the number of injuries and fatalities. In comparison with the second half of 1983 this is a decrease of approximately 6 percent in the number of accidents and casualties and a decrease of approximately 15 percent in fatalities. The bureau spokesman also reported that in Judea, Samaria, and Gaza during June of this year 96 traffic accidents were reported in which 163 people were recorded injured (19 fatalities among them) as opposed to 105 accidents with 175 reported injured, of which 15 were fatalities during the month of May. [Text] [Tel Aviv HATZOFE in Hebrew 25 Jul 84 p 5] 9182

UNEMPLOYMENT STATISTICS--The number of unemployed rose by 10 percent in the first half of 1984 compared with last year. A rise in the number of those receiving unemployment compensation permits during the first half of 1984 was reported by the Employment Bureau. According to the changes in the numbers of those receiving permits to receive unemployment compensation, issued by the Employment Bureau offices to those unemployed 6 or more days per month, during the first half of 1984 compared with the first half of 1983, registered unemployment rose from an average of 10,164 per month to 11,445. The increase among men was from 6,672 per month, on the average, during the first half of 1983, to 7,316 for the first half of 1984, and for women the figure rose from 3,492 to 4,129. For the months of January and February 1984 no change occurred in the numbers of those receiving permits. Commencing with March 1984 the number of recipients rose by approximately 2,000 and stabilized at about 12,000, with a slight decrease at the end of the period. The average for those receiving permits to draw unemployment compensation for the first time rose from 2,463 per month to 3,240. This increase in those receiving permits was recorded in 13 of the 17 districts of the Employment Bureau. Three regions--the Upper Galilee-Samaria; Eastern Negev and Dimona; and Rehovot--showed a decrease. [Text] [Tel Aviv HATZOFE in Hebrew 26 Jul 84 p 4] 9182

CSO: 4423/68

KUWAIT

FACTORS CONTRIBUTING TO ECONOMIC SLOWDOWN DISCUSSED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Jun 84 pp 41-42

[Article: "Escalation of Iraq-Iran War Intensifies Recession and Crisis of Confidence"]

[Text] Since the eruption of the "Sug al-Manakh" crisis in 1982, the Kuwaiti economy has been facing numerous problems and the market has been experiencing a harsh recession. The Iraq-Iran war has intensified these difficulties and the recent escalation in this war has pushed the Kuwaiti economic crisis to new levels and complications. There is also a lack of confidence and a state of psychological unrest prevailing among the groups residing in Kuwait. Bankruptcies are occurring in the various economic sectors and all the steps and measures taken so far have produced no positive results because the current of events is still stronger than any other current. In the following report, AL-IQTISAD WA AL-A'MAL paints a picture of the real situation.

The latest developments in the Gulf war have intensified the state of recession in the Kuwaiti economic and financial markets.

The efforts had been focused prior to these developments on reviving economic activity, especially after the Kuwait Chamber of Commerce and Industry had presented a comprehensive memorandum dealing with the mainstays of the Kuwaiti economy and with the main factors that had interacted to exert a negative impact on the local market. The memorandum then offered proposals to revive four sectors, namely, the finance and investment sector, the commerce and transportation sector, the building and construction sector and the industrial sector.

But this memorandum did not lead to tangible results and the proposals did not have any impact on those who made the financial and currency decisions and policies.

The latest statistics indicate that Kuwait is still experiencing a state of instability, recession and slowdown which has prevailed in all economic activities. The latest developments in the Gulf war have come to overwhelm the internal situation and the solutions formulated to overcome the securities crisis. It is expected that the value of the dinar for

for al-muhalin [presumably meaning the recipients of compensation for losses in the "Sug al-Manakh" crash] will be announced in the first half of the current month of June so that debt bonds may be issued for al-muhalin in the first half of the current month of Ramadan. These bonds will be discountable and mortgageable in Kuwaiti banks, thus helping to pump further liquidity into the market. But the difficulty expected to face the discounting of these bonds lies in the disinclination of the banks to do so on the basis of the previous price, namely 7 percent, because of the high interest rates paid for deposits--rates ranging from 11-12 percent. This makes these bonds an unattractive instrument of investment for the local banks even though the Central Bank of Kuwait considers the bonds liquid assets. Since the issuance of the bonds, the banks have discounted nearly 550 million dinars in such bonds. This constitutes a burden on their profitability if the interest rates for deposits in dinars continue to maintain their high level.

Despite all the governmental measures and facilities, the securities market has experienced no revival, not even in the month of Ramadan, and this is contrary to what had been expected. This failure is attributed to the absence of a large group of individuals and of establishments capable of reviving the market and to the new administrative regulations that have maintained the role of the old auctioneers and middleman companies even though many of them had been involved in transactions unsatisfactory to many of the people dealing in those securities.

At the beginning of June, the Kuwaiti Council of Ministers approved the financial transactions pertaining to the closed corporation stocks and the Gulf securities, thus making the new owners responsible for repaying the capital after reducing this capital and merging a number of companies with each other. The Gulf stocks now being circulated in the Kuwaiti stock market have thus gained legitimacy.

On the other hand, the National Assembly has concluded its debate on the 1984-85 general budget and it has become evident that this budget has a deficit of 750 million Kuwaiti dinars. The total estimates of the budget for the ministries and the administrative departments have amounted to 3,654,000,000 Kuwaiti dinars compared to 3,376,000,000 dinars last year. It is expected that the local projects provision will witness the only increase in the budget and that it will amount to 858 million Kuwaiti dinars, i.e., with an increase of 29 percent over last year.

Implementation of the special projects of the state and of its institutions will be confined to the local contractors and efforts will be exerted to purchase materials and equipment from the local market. Meanwhile, the major projects will be divided into successive phases so that the biggest number of middle-level and small contractors may take part in implementing them, according to a statement by the Ministry of Finance.

OPEC had expected Kuwait's oil revenues to amount to nearly \$10.4 billion in 1984 compared to \$10.3 billion last year.

Late Measures and Unreassuring Future

There is no doubt that the tanker war in the Gulf and the successive regional political developments have generated more pressure on Kuwait's economic and financial conditions, despite a number of positive developments embodied in:

1. Government spending of more than 750 million Kuwaiti dinars to purchase stocks in the bourse.
2. The spending of nearly 2 billion Kuwaiti dinars by the Small Investors Fund as compensation for post-dated checks issued by dealers in the securities market and for those referred to the Authority for the Settlement of Post-dated Stock Transactions.
3. The recent announcement of the plan of the Kuwaiti commercial and specialized banks to set up a banking firm with a capital of 600 million Kuwaiti dinars to purchase Kuwaiti stocks from a number of dealers, to correct the current prices and to facilitate the process of intermeshing these prices.
4. The recent announcement of the state's 1984-85 general budget that is based on a policy of expansion, especially in the development sector.

Despite all the steps that have been or may be taken, it is evident that the reasons for the recession in the Kuwaiti market are psychological and emanate from the serious developments in the Arab Gulf. Any escalation of the military operations in the area will further intensify the negative ramifications.

If this escalation persists, it may result in the following:

1. Further pressures of the Kuwaiti dinar as a result of an increased volume of capital remittances to the outside world. So far, the pressures are reflected in the rise of the price of the dollar to 297 fils compared to 291 fils by the end of 1983. It is not unlikely that this price will break the 300-fils barrier. The Central Bank has established some restrictions on major remittances and on the commercial banks' requirements to cover import transactions and other requirements.
2. A declining confidence in the Kuwaiti companies' stocks, not to mention the Gulf stocks and closed-stock shares, especially the stocks of the industrial firms with their inflated prices that do not reflect the real productivity and profitability of these firms.

By examining the official publication of the Kuwaiti Stock Market, we find that circulation activity is nonexistent for most of the days of the week and that the prices of the shares of more than 11 companies have dropped to less than 3 dinars. The drop in the prices is due to the lack of demand and to the poor conditions being experienced by these companies, such as the National Company for the Manufacture and Sale of Cars, the

Kuwaiti Shipbuilding and Repair Company, the Sanitary Fittings Manufacturing Company, the (Melamine) Production Company, the Kuwaiti Tire Company and others.

3. The declining size of the local market and the absence of a clear view as to the likelihood of a near end to the Iraq-Iran war and other factors will lead to liquidating numerous Kuwaiti industrial and commercial establishments, thus saddling the state budget with more burdens, if the state decides to liquidate them and to compensate the lending financial and commercial companies or if the state decides to put these establishments under the custody of the Industrial Bank to liquidate whatever remains of their assets. It is well known that most of these companies got involved in the stock market and dealt in post-dated checks, incurring the subsequent enormous losses--most of which showed in the companies' annual reports of 1983.

To sum up, it can be said that the Kuwaiti economy is currently suffering from a serious malady which has afflicted the psyche of the investors and the consumers--a malady emanating from the unstable conditions being experienced by the Gulf area generally and from the deteriorating economic conditions in Kuwait in particular. This has resulted in the increased departure of capital to the outside world, in increased pressures on the Kuwaiti dinar and in the lack of confidence in the stocks of companies whose shares are circulated in the securities market. Therefore, any measures that will be taken by the government to turn the wheel of the economy will have a limited impact if the market's psychological condition does not change and if the wave of pessimism prevailing because of the Iraq-Iran war does not recede.

8494

CSO: 4404/605

KUWAIT

INJUSTICE, CORRUPTION SCORED

Kuwait AL-MUJTAMA' in Arabic 24 Jul 84 p 50

[Article by Isma'il al-Shatti: "To Whomever It May Concern: Injustice Cannot Be Relative"]

[Text] Liberties may be relative, democracy may be relative and consultation may be relative in comparison to nearby and distant despotism. But injustice can never be relative. Denying a student a grade which he deserves in an examination or giving such a grade to a student who does not deserve it generates the same bitterness and sense of oppression as that generated in the soul of a person who is punished in accordance with the law but who sees another person like him go unpunished because of favoritism or because of an exception from the law. This is why God has made injustice one of the forms of infidelity, saying: "The infidel are the unjust." When laws are made to order to save kinsmen and then legislation is issued to punish the others, to make them bankrupt or to reduce their wealth, we say that this is injustice. When the influential defy the state by confronting any attempt to implement sentences against their sons while sentences are implemented against others, then we say this is injustice. When the political decision--a decision demanding that it be separated from religion--begins to interfere constantly, to dominate the administrative decision and to abolish all criteria except the criterion of loyalty to the government, not loyalty to God, the nation and the homeland, and when a person disagreeing with the government is denied his rights while the rights of opportunists are respected, then we say this is injustice. When a police corporal is jailed for 4 years for stealing 40 dinars while the minister and the prominent official are protected, we say this is injustice. When one person dies in the court for signing a 4,000-dinar check without sufficient funds while tens of others who have signed checks without supplying millions of dinars live, then we say this is injustice. When certain factions of the people are denied free expression and the right to issue a paper under the pretext of the public interest and the law while this freedom is given to this or that person because of favoritism, then we say this is injustice.

What is worse than injustice is to take injustice lightly or to disregard its consequences. The reason for such disregard is the blind arrogance of power. States have disappeared and turned into a black spot in history as

a result of the arrogance of power and of a disregard for injustice. Peoples who have been given the opportunity of learning and of education are subject to being affected by the consequences of injustice. Injustice charges the souls with a feeling of oppression and oppression encourages revenge. If the souls reach the point of the desire for revenge, criteria become lost, values become flawed and people forget all gains, and herein lies the tragedy.

8494

CSO: 4404/605

DISPUTE WITH LLOYDS OVER INSURANCE RATES EXAMINED

Paris AL-MUSTAQBAL in Arabic No 389, 4 Aug 84 p 55

[Article: "Will Kuwait Win Its Second Battle Against Lloyds? Lloyds Company's Raising of Its Insurance Rates for Ships Going to Non-Iranian and Non-Iraqi Gulf Ports Is Considered Clear Act of Blackmail and Kuwait Has Been First To Confront It"]

[Text] The Lloyds Group's raising of its insurance rates for ships going to non-Iranian and non-Iraqi Gulf ports has created with Kuwait a crisis similar to the 1979 crisis. Kuwait immediately canceled the contracts of the Kuwait Tankers Company with the international insurance firms operating within the Lloyds Group, preferring to leave its fleet of oil tankers, consisting of 22 tankers, without an insurance policy or replacing Lloyds' protection by a local or regional policy.

This step has aroused the fears of insurance observers because it is their opinion that it is impermissible to leave the Kuwaiti fleet, with tankers valued at \$850 million, without insurance coverage when it is likely that one of the fleet's units could be hit at any time as long as the tanker war has not ended and as long as this war raises its head every now and then.

Moreover, the Kuwaiti step has restored the previous theory--namely that it is necessary to stop efforts to establish insurance independence in the Arab world, i.e., create an Arab insurance and re-insurance market--to its normal size. Fundamentally, the issue is a technical, not a political, one. The more the Arab countries rely on the international re-insurance markets, the smaller are the risks to their finances and to the insurance firms operating in them, especially since the installations in the Arab countries have such a great value that cannot be shouldered by the Arab market alone. For example, if a tanker re-insured in the Arab countries sinks, the insurance companies will have to pay a sum ranging from \$8-\$20 million, a sum which the financial capability of these companies may not be able to withstand. We should keep in mind that Lloyds has estimated the cost of the damage caused to tankers and ships since the eruption of the "tanker war" at nearly \$120 million. Can the Arab insurance market, particularly the Gulf market, withstand the payment of such a sum and of subsequent sums of money?

Moreover, the observers add that the Arab insurance sector is new in the field of insurance against war risks and that it does not possess accumulated financial assets that enable it to continue to pay for damages that may be caused to ships, and even to installations. In this case, it is better to continue to deal with the international markets, even if they raise their rates to levels unprecedented in the area, with the aim of reducing the risks as much as possible, unless the international firms decide to remove their coverage from the Gulf area entirely.

It is the opinion of the directors and owners of the Gulf insurance companies that in case the international insurance coverage is lifted from the Gulf area, the area's states should proceed immediately to set up a fund for insurance against war risks, as Britain did in World War II. It will then be necessary to create an Arab insurance market.

It is noted in this regard that a "battle" erupted between Kuwait and the Lloyds Group in 1979 and ended with Kuwait scoring a brilliant victory against the international insurance firms. In the wake of a rumor circulated by the CIA in August 1979 on an imminent fedayeen operation seeking to sink tankers in the Strait of Hormuz with the objectives of blocking and closing the strait, the Group doubled its insurance fees for war risks and for the detainment of ships.

This created in Kuwaiti economic circles strong fears which motivated the Kuwaiti government to move at two levels: first, to persuade the Lloyds Group it needed to rescind the decision because it was based on a clear lie and, second, to give the Gulf insurance companies the impression that they should be the alternative to Lloyds.

The movement at the first level failed initially but then the Lloyds Group backed down when it realized that there was no justification for its decision and that Kuwait was about to persuade the governments of the Gulf States to set up their own insurance agency against war risks. This is what happened in 1980 when 27 Gulf insurance companies formed an insurance fund against war risks. Kuwait then persuaded Libya and the UAE to form an insurance and re-insurance group with capital of \$3 billion to provide an alternative to Lloyds. This group set up its main offices in Bahrain.

Despite this, the two organizations have not been able to play a prominent role in covering the Gulf fleets against the risks of war. Insofar as the fund and the Arab group are concerned, it has become evident that they need to re-insure in the world markets and at rates imposed by these markets or else incur enormous losses which they cannot afford, keeping in mind that the entire Arab market lacks expertise in this field and needs the expertise of Lloyds and of other international agencies. The two organizations could have performed brilliantly had they been founded 25 years ago because the financial assets they could have accumulated would have given them the needed momentum. We should keep in mind that the Arab Insurance Group has not yet received its full capital nor completed building some of its essential structures.

As to why Lloyds has raised the rates for ships going to non-Iranian and non-Iraqi Gulf ports, it is because the attack on the British ship which went to the Gulf "Reknown," to take over the load of a Swiss tanker that had already been hit by Iraqi aircraft, caused international insurance circles to believe that the war would not exclude neutral tankers. Moreover, the two tankers were hit outside Iranian and Iraqi ports. This made Lloyds hike the insurance rates against war risks by (0.25) percent, thus raising these rates to 0.375 percent of the value of a ship, estimated ordinarily at \$8-\$20 million. We should keep in mind that the war risk fees in time of peace do not exceed 0.025 percent of the value of a tanker. Insurance coverage was made valid for a ship for 7 days only and this has been considered another indirect hike in the insurance fees. A ship needs more than 7 days to sail the Gulf to unload goods or to load goods or oil.

As for rates for ships sailing to and from Iranian ports, they continue to remain within the limits of 5 percent whereas they had been close to 7.5 percent until very recently. Lloyds reduced these rates in the wake of the latest initiative by UN Secretary General Perez De Cuellar. But the increased rates on the one hand and the diminishing number of attacks on tankers on the other hand have encouraged Japanese shipowners and sailors to resume their trips to the northern part of the Gulf after their having abstained from making such trips for a time. Their decision has also been applied to Kuwait.

Certain Kuwaiti insurance circles have accused Lloyds of blackmail and have said frankly that Lloyds wants to make up for the losses it has incurred as a result of the attacks on tankers, estimated at \$120 million, from other sources. These circles have also expressed the belief that Lloyds will emerge from the tanker war with vast and unprecedented profits.

In this regard, these circles note that the insurance rates against the risks of war in the Gulf are the highest in the world, followed by Lebanon where the rates amount to 0.7 percent of the value of a ship or a tanker.

Who will triumph in the Gulf insurance war: Kuwait or the Lloyds Group?

8494

CSO: 4404/605

ILLEGAL PORTS HAVE MIXED EFFECTS ON NATIONAL ECONOMY

London AL-TADAMUN in Arabic No 69, 4 Aug 84 p 65

[Article: "Illegal Ports Increasing; 20 Illegal Ports in Lebanon"]

[Text] From the beginning of its political and security crisis in mid-1975, Lebanon has witnessed an important economic phenomenon over which economic analysts disagree when describing its implications and adopting a unified stand on it.

This phenomenon, which has been most prominent in times of security disturbances, is the proliferation of ports, commonly called "free ports" in Lebanon, although others prefer to call them illegal ports. They first appears with the start of the Lebanese war, or, to be exact, during its 2d year, 1976, when the legitimate port of Beirut was closed and the other legitimate ports fall into the grip of the armed parties fighting in Lebanon and elsewhere.

These free ports continued to function until March 1983, when Lebanese President Shaykh Amin al-Jumayyil issued a resolution closing the. However, this resolution was never applied, since the events of February 1984 caused a resurgence in the spread of these ports because of the closure of Beirut Port.

There are about 20 free or illegal ports operating in various parts of Lebanon, starting along the northern coast, passing through the capital city of Beirut, and going down the southern coast. These ports are managed by individuals, although some are supervised by partisan groups, as is the case in the south and in the Beirut suburbs. These illegal ports do everything the legitimate ports normally do (importing, exporting and passenger traffic), and pose stiff competition for the five legitimate ports.

This phenomenon is critical for the Lebanese state, inasmuch as these ports are in effect taking the state's place in collecting duties and other revenues for import and export activities, thereby depriving the Lebanese treasury of hundreds of millions of Lebanese pounds each year. This is especially true since these ports have, for long periods of time, been able to take the place of Beirut Port and the other legitimate ports, even during periods when those ports were operating. That is, these ports were collecting lower duties on

imported or exported goods, much less than those levied by the state at the port of Beirut (5,000 pounds for a single cargo of assorted goods).

In spite of this phenomenon's negative repercussions on the Lebanese treasury, economic analysts disagree as to its results. Some of them say that it is negatively affecting the national economy, since these ports are illegally competing with the legitimate ports and therefore depriving the Lebanese treasury and the national income of significant financial revenues. The illegal ports also have a negative effect on the continuity of work at the legitimate ports, besides competing illegally with national trade and raising fundamental hardships for national industry, which is facing disproportionate competition from foreign goods imported through the illegal ports and flooding the domestic markets. Other analysts oppose this opinion, seeing many positive features in these free ports. This point of view is an amalgam of many convictions, the most outstanding being that during all those periods when Beirut Port was closed and it was difficult to reach the other legitimate ports for security reasons, these illegal ports ensured the continuity of import and export activity and the continued arrival of goods needed by the country. They also ensured the export of the major part of Lebanese exports to more than one foreign country, and made it possible for thousands of Lebanese to go abroad and for other thousands to reach Lebanon.

Furthermore, these ports helped, in one way or another, to bring down the local market prices for many commodities and necessities, by virtue of the reduced customs duties which they levied on imports. Thus, these ports have greatly helped stimulate the economy and reduce inflation, in addition to helping ensure work for hundreds of Lebanese workers.

However opinions differ over the proliferation of illegal ports, one thing is sure: It is still an unhealthy phenomenon. It is an anarchic, irresponsible activity which weakens the state's position and prestige. It also poses enormous competition for legitimate trade and inflicts large losses on it, not to mention the financial losses it inflicts on the state treasury. It also strikes a blow at national industry, by flooding the local market with foreign goods. In addition to the other factors mentioned, this demolishes the pillars of the national economy and consequently increases the Lebanese treasury's deficit.

For this reason, the state must "close the file" on this proliferation of ports, by making an effort to close them as quickly as possible so as to preserve its "prestige" as a state and to establish its sovereignty over all of Lebanon, especially since these ports have played a large part in nourishing domestic strife by smuggling arms to the warring factions in Lebanon.

8559

CSO: 4404/627

KEY FIGURES BOYCOTT MEETING ON CHRISTIAN REFUGEES

Paris AL-MUSTAQBAL in Arabic No 390, 11 Aug 84 p 15

[Article: "Disagreement Between Junblatt and Abu-Shaqra About the Christians' Return to the Mountains"]

[Text] At the invitation of former Minister Dr Najib Abu-Haydar, a far-reaching Christian-Druze meeting was held in the Lebanese town of Hamana, attended by Ministers Salim al-Huss and Walid Junblatt, Parliamentary Vice President Munir Abu-Fadil, a number of deputies and former ministers, archbishops, religious leaders and political figures from Christian and Druze parties, in addition to several senior Syrian army officers led by Maj Gen Ghazi Kan'an, chief of intelligence for the Arab peacekeeping forces in Lebanon. The meeting was called to deal with the mountain refugees issue and to find ways of returning them to their villages and homes. This wide-ranging meeting never advanced beyond the stage of a "meeting with refreshments," even though at the end of the meeting the participants issued a statement to the effect that the meeting expressed the sincere patriotic desire to restore all Lebanese refugees to their areas and homes, and confirmed this right impartially and unconditionally. The local journalists who came to Dr Abu-Haydar's home early in the morning of Saturday, 4 August to cover this important meeting were expecting Patriarch of Antakiyah and Orthodox Leader Ignatius IV Hazim and Druze Shaykh Muhammad Abu-Shaqra to attend. Everyone waited for them until 1300, at which time their emissaries arrived, bearing Hazim's and Abu-Shaqra's apologies for not attending.

An Orthodox notable told AL-MUSTAQBAL that Patriarch Hazim did not come because he knew that Shaykh Abu-Shaqra would boycott this meeting. As for Abu-Shaqra's absence, a high-placed Druze personage who attended the meeting told AL-MUSTAQBAL that it was due to the eruze spiritual leader's disapproval of and disagreement with Minister Walid Junblatt's insistence that the refugees return to the mountains. He explained that Abu-Shaqra's point of view embodied three main points.

1. The mountain refugee issue has been linked with the refugee issue in general ever since 1975, as Wazzan's resolutions stipulated;

2. In Shaykh Abu-Shaqra's opinion, the displacement of Christians from the mountains was not a Druze decision, but a political decision made by the

"Lebanese Forces," and when this decision is reversed, then their return to the mountains can be discussed;

3. The Christians cannot return to the mountains as long as there are still approximately 5,000 Druze who have fled their villages.

AL-MUSTAQBAL also learned from Druze leaders in Beirut that Shaykh Abu-Shaqra was angry about Camille Sham'un's visit to the Shuf.

8559

CSO: 4404/627

SLOWDOWN IN INDUSTRIAL INVESTMENTS DISCUSSED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 6, Jun 84 pp 62-64

[Article: "Indicators of a Decline in Saudi Industrial Investment"]

[Text] Two manifestations of capital concentration in Saudi industry are as follows: 1) the average investment per plant rose from 22 million to 42 million riyals, and 2) the average investment per employee rose from 341,000 to 642,000 riyals.

New industrial investments in Saudi Arabia declined sharply during the years 1402 and 1403 A.H. (which correspond to the period from mid-1981 till mid-1983). Furthermore, the number of licenses whose owners did not utilize them became greater than the number of licenses which were utilized. This is something which reflects a recession in general and also reflects an attitude of waiting and hesitating on the part of Saudi investors themselves after the difficult experiences of the last 2 years. This article constitutes an attempt to describe some of the features of the development of industrial investment in Saudi Arabia based on the latest available statistical data.

With the exception of the building materials industry which was strongly affected by the decrease in business involving projects and construction, one could say that the industrial sector in Saudi Arabia has maintained some degree of momentum, in spite of the economic slowdown. Furthermore, this slowdown has not been felt in the domestic market except within certain limits. The reason for this is that most of the industries in Saudi Arabia rely on the domestic market and were created in order to meet a relatively stable demand. They also enjoy a number of advantages, are somewhat protected from competition, and have kept a considerable share of the market. We should also note the the Saudi organizations concerned with industry, whether within the framework of the Ministry of Industry and Electricity or the Industrial Development Fund, have played an important role in keeping track of the needs of the domestic market and its absorption capacity when making decisions to grant licenses to new plants. This direct cooperation between the entrepreneurs of the industrial projects and the decision-making authorities has brought important benefits to everyone and has helped to attract the entry of extra capacities into the sectors of the market. This,

of course, does not mean that the Saudi market is being subjected to a type of direct control. The principle being followed is that of competition and considering individuals themselves responsible for a project and for taking on the risks involved in a given project. The guidance provided by the government is not meant to be a substitute for decisions made by the owner of an enterprise and an investor. This being true, the Saudi market is not necessarily a saturated or stable market. There are rectification processes which are constantly taking place. New industrial enterprises are entering the market, and other enterprises are leaving it. The basic factor which is being concentrated on right now is that of management and effectiveness in running a given enterprise. This is true at a time when the authorities are expecting the market to undergo increasing change in the direction of competition, development of marketing and advertising methods, and greater concern about the element of cost and productivity. Unless a correct solution is found for these problems, it will be difficult for any industrial enterprise to compete and stand up to its rivals in the marketplace. Furthermore, the competitive nature of the market also promotes the occurrence of a type of relative decline in consumer demand as a natural result of a decrease in expenditures and the mentality of the slackening-off phase and as a result of the noticeable decrease in the number of foreign workers--which was and still is one of the most important elements of domestic demand for the various consumer goods, whether manufactured domestically or imported.

Slowdown in Investments

Although currently-existing Saudi industries are now undergoing a phase of concentration and consolidation of their experience, the industrial sector as a whole, at the same time, is experiencing a great decrease in new industrial investments. This is something which reflects some degree of saturation in some of the sectors of industrial activity, and it also reflects an attitude of wait-and-see--until it becomes clear what the domestic economic future will be and what the political future will be in the region. In an effort to clarify the situation as far as the Saudi industrial sector is concerned, we are publishing here some recent statistics put out by the Ministry of Industry and Electricity which deal with industrial licenses issued during the last 5 years. We should point out that the ministry publishes three separate statistical tables which deal with the following--1) licensed producing plants, 2) industrial licenses which have begun to be utilized, but which have not yet resulted in any production, and 3) industrial licenses which have not begun to be utilized. In order to provide an accurate picture concerning the trends of industrial investment, we have, in the consolidated table published below, taken into consideration only the first two of the above-mentioned categories--that is, plants which are engaging in production and industrial licenses which have begun to be utilized [see Table 2 at the end of this article]. This distinction becomes all the more important in view of the great increase, during the last 2 years, in the number of industrial licenses which have not begun to be utilized by those possessing the licenses.

Concentration of Capital

The statistical table indicates several phenomena which clearly show a trend of development in industrial investment in Saudi Arabia during the last 5 years. The most important of these phenomena could be summed up as being the following:

There was a great deal of development in industrialization during the 5-year period from 1397 A.H. (mid-1976) to the end of 1402 A.H. (mid-1982).

The number of production plants which were put into utilization during this period increased from 948 to 2,025. At the same time, investments increased nearly 4-fold--from 21 billion riyals to about 80 billion riyals. This, as such, indicates an increase in the concentration of capital in industrial investments. Whereas the average investment per plant was about 22 million riyals during the period up till mid-1976, this average investment rose to about 40 million riyals by mid-1982. This concentration of capital, of course, reflected an increasing trend toward investing in modern; international-quality plants which are mechanized and rely only to a small degree on labor. This is indicated by the fact that the average capital investment per worker increased from about 341,000 riyals in mid-1976 to about 642,000 riyals by mid-1982.

58 Billion Riyals in 5 Years

The statistics given below indicate that Saudi Arabia invested, in the industrial sector, about 58 billion riyals during the 5-year period from 1398 A.H. till 1402 A.H. This brought the total in accumulated industrial investments up to about 80 billion riyals. This means that Saudi Arabia, during the above-mentioned 5-year period, invested about twice as much as the total amount that it had invested in industry up till 1397 A.H. (mid-1976).

The statistics also indicate the large proportion of the total investments which is accounted for by the petrochemicals industries. In 1402 A.H. the value of these investments totalled about 41 billion riyals--that is, more than half of the total investments in industry. It should be noted that petrochemicals investments have accounted for a very large proportion of the industrial investments during the last 5 years (which is the period of time during which the al-Jubayl and Yanbu' projects got under way). Of the total of about 58 billion riyals, which is the value of the industrial investments made between the years 1398 A.H. and 1402 A.H., the petrochemicals industries accounted for about 39 billion riyals--that is, more than 67 percent of all of the investments. The building materials industries sector is the second most important sector as far as Saudi industries are concerned, and its investments have totalled about 17 billion riyals. These two sectors are then followed by the metal industries sector (about 10.6 billion riyals) and the food industries sector (6.2 billion riyals).

In addition to these general features concerning the development of industrial investment, one can clearly perceive some new phenomena which indicate some

degree of saturation in certain sectors as well as a decline in the volume of industrial investments generally in Saudi Arabia during the last 3 years--in particular, since mid-1981 (fiscal year 1401 A.H.).

Recession in 1402 A.H.

The first and most important phenomenon in this regard was the tremendous decrease in investments in 1402 A.H. In that year, investments totalled 10.1 billion riyals, as compared with 19.2 billion riyals the year before. This decrease becomes all the more significant in view of the large proportion of the investments which were accounted for by the petrochemicals industry in 1402 A.H. Of the total of 10.1 billion riyals of investments, petrochemicals investments represented about 8.88 billion riyals or approximately 87.5 percent of the total. Although the year 1401 A.H. saw a relative increase in the volume of investments when compared with the year 1400 A.H., this does not deny the fact that this increase was attributable to a large jump in petrochemicals investments during the year 1401 A.H. Petrochemicals investments that year accounted for about 16.4 billion riyals, and total investments that year were about 19.2 billion riyals. This means that the petrochemicals investments accounted for 85.4 percent of the total. Actually, if we take a look at the development of investments in the industrial sectors without taking investments in the petrochemicals industries into account, we will see that there has been a constant downward trend since the year 1401 A.H. (mid-1980). The statistics in this regard are as follows:

Table 1. Development of Industrial Investments
(Not Counting Petrochemicals Investments)

<u>Year</u>	<u>Total Investments</u>
1400 A.H.	5.558 billion riyals
1401 A.H.	2.797 billion riyals
1402 A.H.	1.275 billion riyals

One phenomenon which confirms the fact that a type of saturation has begun to set in in the traditional sectors in general is the steady increase in the number of unutilized licenses in comparison with the number of licenses which are put into utilization. The total number of licenses put into utilization in 1399 A.H. (1978-79) was 87, as compared with 50 licenses which were not utilized. But in the year 1402 A.H. (1981-82), the total number of licenses utilized was 27, whereas the number of licenses which were not put into utilization totalled 219. The picture becomes even clearer if we look in isolation at some of the given sectors such as, for example, the building materials industries sector in which only 1 license was put into utilization in the year 1402 A.H., as compared with 33 licenses that year which were held in abeyance. In the year 1400 A.H., however, this ratio was 24 to 26. As for

the metal industries, in the year 1402 A.H. only 5 licenses were put into utilization, whereas 54 licenses were not put into utilization. In the year 1400 A.H., however, 46 licenses in that sector were utilized, whereas 38 licenses were not put into utilization. All of this is an indication of the fact that there still is interest in the industrial sector and in the opportunities which it can provide to investors (and this is something which is indicated by the demand for industrial licenses). However, it is also an indication of the fact that most of those persons obtaining the licenses either are encountering greater difficulties in obtaining financing than they previously did or else they are preferring to adopt a wait-and-see attitude and to take more time to study their projects and await more encouraging domestic, and perhaps also regional, circumstances.

Finally, it should be pointed out that there are some positive phenomena in the case of some of the sectors. One of these is the stimulating role which is still being played by the petrochemicals industries when it comes to industrial investment. This role is expected to increase and assert itself in the coming years. Another of these phenomena is the continuous development which is taking place in the sector of the metal industries--industries which are considered to be relatively advanced in terms of their technology and the expertise which they require. We note that this sector is still attracting investments and has not suffered the decline which has been suffered by other sectors such as those of the food industries and the building materials industry. In addition to this, we note that activity is continuing in the printing and paper industries sector.

Table 2. Development of Licensed Plants and Industrial Licenses Which Began to Be Utilized in Given Years and in Terms of Industrial Activity Till the End of 1602 A.H. (Mid-1983)

Category Number	Industrial Activity	Up to 1397 A.H. (1976-77)			1398 A.H. (1977-78)			1399 A.H. (1978-79)			1400 A.H. (1979-80)			1401 A.H. (1980-81)			1402 A.H. (1981-82)			Total		
		Plants	Employees	Total Financing (Millions of Riyals)	Plants	Employees	Total Financing (Millions of Riyals)	Plants	Employees	Total Financing (Millions of Riyals)	Plants	Employees	Total Financing (Millions of Riyals)	Plants	Employees	Total Financing (Millions of Riyals)	Plants	Employees	Total Financing (Millions of Riyals)	Plants	Employees	Total Financing (Millions of Riyals)
31	Food industries	144	9,132	2,941	57	1,880	607	59	2,793	948	46	2,402	1,149	18	904	406	10	430	193	376	17,741	6,242
32	Textiles and clothes	15	1,403	107	4	363	157	8	808	152	6	616	159	5	280	47	-	-	-	38	3,470	822
33	Leather industries	2	93	10	2	142	18	1	47	62	5	353	62	4	207	57	-	-	-	14	842	152
33	Wood industries	33	2,413	262	-	-	-	7	364	56	16	777	378	8	485	137	6	100	19	68	4,139	932
34	Paper and printing	62	3,130	467	10	328	100	4	120	48	11	645	173	19	748	357	7	186	170	112	5,179	1,315
35	Chemical industries	108	5,728	1,949	40	1,593	556	35	1,307	1,004	57	5,091	12,225	58	4,096	16,415	19	1,401	8,880	317	19,716	41,079
36	Ceramics, pottery, and glass	4	1,327	390	-	-	-	2	150	36	-	-	-	4	277	154	-	-	-	10	1,754	580
36	Building materials industries	280	21,473	11,698	52	4,784	616	67	3,659	2,871	67	3,302	1,056	41	2,078	566	15	821	375	522	34,068	16,980
37	Metal industries	250	16,208	3,172	42	2,587	478	55	4,140	2,735	102	6,598	2,536	70	2,945	1,026	25	1,535	709	544	33,996	10,556
38	Other industries	7	426	63	3	135	87	5	219	37	5	191	45	4	146	32	2	68	9	26	1,205	273
39	Storage	3	256	57	17	625	273	28	371	200	-	-	-	1	27	15	-	-	-	39	1,279	545
71	Total	948	61,589	21,116	227	10,437	2,890	261	16,478	8,092	315	20,195	17,783	232	12,163	19,212	82	4,526	10,155	2,025	23,408	79,247

WATER PROJECTS IN EASTERN PROVINCE REVIEWED

London AL-SHARQ AL-AWSAT in Arabic 4 Aug 84 p 4

[Article: "The Cost Is 5.142 Billion Riyals"]

[Text] New water and sewage projects in Saudi Arabia's Eastern Province.

Replacement of old systems and construction of above-ground reservoirs.

Total funds for projects, studies, and operations and maintenance activities allocated by the Water and Sewage Department of Saudi Arabia's Eastern Province during the previous [fiscal] year of 1402-03 A.H. amounted to 5,142,593,000 riyals.

The annual report for the year 1402-03 A.H. dealing with the department's activities which was recently issued by the department stated that the department, during the above-mentioned period, undertook the preparation of final studies for the first phase of the project involving extension of the water systems and water drainage for the main water lines which link the cities of al-Dammam, al-Khubar, and al-Zahran, with the total cost involved being 1,690,000 riyals. These lines include pumping stations, new units for the treatment of sewage water, ground-level water reservoirs, and the principal above-ground reservoir which will be designed as a water tower for the water of the Eastern Province.

The report went on to say that the department had undertaken the preparation of the initial and final studies as well as the engineering designs for all of the various types of water systems for the Golden Belt area in the city of al-Khubar, with the total cost involved being 480,000 riyals.

The report also stated that the department had undertaken the preparation of both initial and final engineering studies for projects involving cultivation and planting of trees in the areas of the entrance to the city of al-Dammam, Jabal Abu-Ghanimah, and the sewage water purification plant in the district of al-Ahsa', with the total cost involved being 620,000 riyals. The department also undertook the study and design work for the water systems in

the towns and villages of the district of al-Ahsa' and for linking them to the same water system, with the total cost involved being 3,512,000 riyals. In addition to this, the department undertook the study and design work for the water systems in the city of al-Qatif and its surrounding villages and for linking them to the same water system, with the total cost involved being 2,713,000 riyals.

Projects in the New Areas

In addition to this, the report said that a study had been undertaken dealing with the water and sewage projects in al-Hufuf and al-Mubarraz in the district of al-Ahsa'. The objective is to construct water systems as well as sewage and drainage systems for the new areas in the cities of al-Hufuf and al-Mubarraz, with the total cost involved being 2,819,287 riyals.

Initial studies and final designs have also been prepared for the water and drainage systems for the port of al-'Uqayr in the district of al-Ahsa'. A total of 645,000 riyals has been allocated for this. Furthermore, preparation of the final studies for the replacement of the existing water systems in the cities of al-Dammam and al-Khubar has been undertaken. A total of 1,485,000 riyals has been earmarked for this. In addition to this, the preparation of the initial studies and final designs for the triple purification units in the cities of al-Dammam and al-Khubar has been undertaken, and the objective of this is to put into operation additional triple purification units for the product of the sewage water purification plants in the cities of al-Dammam and al-Khubar. This is to be done in order that this water not be drained off directly into the Gulf without first being utilized. The total cost involved is 1,340,000 riyals.

The department has also undertaken the preparation of the initial studies and final designs for the triple purification plant for the city of al-(Khafji), with the total cost involved being 983,000 riyals. The objective is to create a new system to replace the open purification basins whose product is drained off to the sea without being utilized.

The report went on to say that, at the present time, a number of various engineering studies are being undertaken in the cities and villages of the Eastern Province involving sewage and flood-water drainage projects as well as a number of projects planned to be implemented by the department during 1402-03 A.H. in the cities and villages of the Eastern Province, with the total cost involved being 4,991,200 riyals.

Project for Reservoir Site Development in the City of al-Khubar

The report pointed out that the projects which the Water and Sewage Department of the Eastern Province had implemented during this same period included the project for reservoir site development in al-Khubar. This project includes the ground-level reservoir having a capacity of 200,000 cubic meters, a pumping and maintenance building, a mosque, the administration building, housing, a project involving expansion of the water and sewage systems, and

the purification plant for the city of al-Dammam which includes a pumping station with a capacity of 135,000 cubic meters per day, with the total cost involved being 1,106,793 riyals. In addition to this, there is the water reservoir project and the auxiliary installations for this reservoir, the implementation of the joint connecting lines for water desalinization in the city of al-Dammam, and this includes the construction of a reservoir for desalinized water for the city of al-Dammam, with a capacity of 21,600 cubic meters, with the total cost involved being 61,790,300 riyals.

Furthermore, the project involving hooking up water service for residences in the city of al-Dammam has been initiated. The objective of the project is to bring water and sewage service to 6,700 residences in order that they utilize the main water systems which have already been implemented in connection with the expansion project in the city of al-Dammam, with the total cost involved being 69,790,300 riyals.

In addition to this, the project involving the expansion of the water and sewage systems and the purification plant for the city of al-Khubar has been implemented. This project included the construction of a pumping station with a capacity of 135,000 cubic meters per day. Also implemented was the 246,300-meter-long water system, the construction of a water reservoir with a capacity of 15,000 cubic meters, and a reservoir having a capacity of 31,400 cubic meters, with the total cost involved being 692,400,000 riyals.

Also, the department will implement the project involving the water reservoir, the auxiliary installations for this reservoir, and the joint connecting lines for water desalinization in the city of al-Khubar. The objective is to link the desalinization plants in al-'Aziziyah and the lines branching out from them. Also, work has begun on the implementation of the project involving hooking up water service to residences in the city of al-Khubar, with the total cost involved being 99,750,636 riyals.

Six Water Towers

The department, at the present time, is also implementing the project involving the construction of six water towers in the cities of al-Dammam and al-Khubar in the Talal, al-Mazru'iyah, and ('Anud) Zones as well as Zone 77, with the total cost involved being 4,710,000 riyals. Furthermore, the department is constructing four water towers made of reinforced concrete in Zone 9 and in the al-(Mutlaq) and al-'Aziziyah areas, with the total cost involved being 21,442,500 riyals. In addition to this, work has been completed on the project involving the extension of the water systems in Zones 125, 37, and 148 in the city of al-Dammam, with the total cost involved being 7,600,000 riyals.

Work is also under way in connection with the project involving sewage and swamp drainage for the villages of the al-Qatif area, and the objective is to implement an overall project for sewage and swamp drainage for the villages of the al-Qatif area, with the total cost involved being 577,310,912 riyals.

Work is also under way in connection with the project involving extending the hook-up of water service to residences in al-Khalidiyah in the district of al-Ahsa'. The objective of this project is to provide drinking water for some of the new residential zones which are outside the area covered by the official water networks, with the total cost involved being 998,400 riyals.

9468

CSO: 4404/603

PREMIER LAYS CORNERSTONE FOR AL-LADHIQYAH DAM

Damascus SYRIA TIMES in English 25 Jul 84 p 3

[Text]

LATTAKIA, (SANA) — Under the patronage of President Hafez Assad, the foundation stone was laid for the construction of the Thawra Revolution Dam project on the Snouber River, which is planned to irrigate over 10 thousand hectares and to be used for generating electricity.

The Prime Minister, Dr. Abdul Ra'ouf al-Kasm, represented President Assad at the ceremony held for the occasion in Tarjano village about 20 kilometer east of Lattakia.

Ministers of State, Tourism, Irrigation, Electricity, and Construction attended the ceremony along with a number of government and Party officials and a huge number of citizens.

Dr. al-Kasm and his companions proceeded to the project's site, where he laid the foundation stone for the dam.

The project includes a 3.4 km-long tunnel, a large water reservoir. The annual flow capacity of the river is estimated at 100 million cubic meters planned to irrigate 10,540 hectares of arable land. Surplus of water flow will be used for generating electricity.

The total cost of the project is estimated by preliminary studies at L.S. 706 million. The dam will be constructed by the Military Housing Establishment (MILIHUSE).

Following the ceremony, Dr. al-Kasm and his companions paid a field visit to the October 16 dam project which is being constructed on al-Kabeer al-Shimali River by the General Company for Irrigation Constructions.

The progress of work on the project was inspected. Dr. al-Kasm also visited the headquarters of Milihouse Branch in Lattakia, where he was shown the studies, and

technical and engineering blueprints prepared by the Branch.

He praised the efforts exerted by the specialised staff preparation of blueprints necessary for the carrying out of development and economic projects.

Dr. al-Kasm also paid a field visit to the Safarqia Dam project in the governorate's countryside. The project is being carried out by the General Company for Irrigation Constructions.

Work on the L.S. 42 million project started early in 1984 and is expected to be completed by the end of 1985. The project will hold about 12 million cubic meters of water, planned to be used for irrigation and generating electricity.

Dr. al-Kasm and his companions were seen off at the Lattakia airport by senior officials of the governorate.

CSO: 4400/318

IRRIGATION MINISTER VISITS DAR'A PROJECTS

Damascus SYRIA TIMES in English 20 Aug 84 p 3

[Text.]

DARAA. (ST) — The Irrigation Minister, Mr. Abdul Rahman al-Madani, accompanied by a Ministry technical delegation, recently paid a field visit to the city to examine conditions of irrigation, water networks and dams construction projects, which are being executed in various parts of the governorate.

During the visit, the Minister met with a number of the governorate's government and Party officials and discussed with them progress of work on these projects and difficulties that impede it.

Among these projects are the setting up of a 40-kilometer-long irrigation network for the Sheikh Miskien dam to irrigate over 1,300 hectares of land in the area and the establishment of a 20-km-long network for the Tafas dam to irrigate around 500 hectares of land in the neighbouring districts. Similar irrigation networks will be set up to serve dams in the city of Daraa and the town of al-Ghardieh al-Sharqieh. Work on these projects is expected to be completed by the end of 1985 and the General Company of Irrigation Constructions is making an all-out effort to speed up the implementation of

these projects so as to have them completed according to schedule.

Other vital projects include the constructing of surface dams in the areas of Ghadir al-Bustan, Abu al-Khanafis, Ashtara and al-Batm. Participants in the meeting stressed the need to speed up the implementation of a plan drawn up by the government to develop the basin of al-Yarmuk valley to cultivate 600 hectares of land in the area with various kinds of vegetables and to increase the flow capacity of Zeizon and al-Ash'ari springs in order to support al-Yarmuk's water networks. Other services projects include the investment of al-Raqqad and al-Zeidi valleys, the cultivation of land in the nearby areas, the construction of roads to link the areas with the main towns as well as roads in the governorate and the cleaning of lakes in al-Yarmuk valley.

The Minister and officials concerned paid visits to the sites of work in these projects and stressed the need that efforts continue to be exerted to speed up the execution of the governorate's vital services projects in order to improve and develop agricultural conditions all over the governorate.

TRANSPORT OFFICIALS REVIEW RAIL NET EXPANSION

Damascus SYRIA TIMES in English 13 Aug 84 p 3

[Article by Hisham Boukhari]

[Text]

When Libya asked the Soviet Union for assistance in the field of constructing railways in the country, the Soviet replied: "You should better consult Syria, which is now in a position to give consultancy services on railways technology to other developing countries."

As a matter of fact, railway transportation has started to assume new modern aspects, stressing the importance of railways transport. Railways in Syria are being modernised, so that they cover passenger movement throughout the country and handle the increase in freight service as well.

The Syrian government aims to make railways the principal mode of transport in the country, linking the extreme corners of Syria from North to South and from East to West. The growth of railway services is attributed, and closely linked to the country's economic, agricultural and industrial development.

Last June, the Damascus-Aleppo railway line was inaugurated, thus, linking the capital with the Syrian capital of the North, Aleppo.

Besides, this railway line has linked Damascus with other governorates such as those of Homs and Hama.

As a matter of fact, great importance is attached to the Damascus-Aleppo railway, which is considered an essential means of transport, within the country.

In an interview with the Minister of Transport, Mr Younis Mohammad, the Minister stressed that since the Correctionist Movement was launched in 1970, the performance and development of railways is a saga of remarkable and rapid accomplishment. He added that the railway system has been extended, equipped and modernized in order to deal with a manifold increase in traffic and to be adjusted to high

volume and high density operations.

This smooth transformation, he went on, would not have been attained except through a carefully prepared plan. The Syrian railways, he continued, have been built up, step by step, by a judicious allocation of resources and the adoption of effective strategies and order of priorities within the framework of the country's five-year plans.

Mr Mohammad emphasized that the saga of the growth of the Syrian railways simultaneously reflects a growth in the country's economy, industry and agriculture.

The Railways General Establishment, is preparing a contract to be signed by all public sector establishments, which requires that they should freight their goods by railways. The contract guarantees to freight goods both rapidly and efficiently at the same time.

In this respect, he said, the railways establishment will purchase all needed cranes, fork lifts and other machines to ensure the availability of the proper loading and unloading of goods.

Mr Mohammad Ghassan Qaddour, the director of the Railways Establishment in Syria said that since 1970 and up to 1983, the following railways were established:

— Lattakia-Aleppo-Qamishli railways (161 km).

— Homs-Damascus-Kafr Banin up to the mines railways (194 km).

— Mahin-Phosphate mines (120 km).

— Hama-Mhardeh line (19 km).

— Homs-Akkari line (65 km).

— Mr Qaddour added that the establishment has future projects to carry out a cost of L.S. 617 million. These projects are distributed as follows:

— An 80 km coastal railway line that links the city of Tartous with the city of Lattakia. This project which is expected to be finished this year will cost about L.S. 141 million.

— A 145 km railway line which would link Deir Ez-Zor city with al-Bokamal city, which is close to the Iraqi borders.

— A 130 km railway line to link Damascus with the city of Dara'a.

Mr Qaddour also stressed that the number of employees working in the railway network was 1,300 in 1963.

At present, the number has jumped to 6,500 workers. In addition, he went on, technical expertise is available now, with 150 engineers working in the Railway Establishment.

RAFSANJANI: NEXT GENERATION WILL REAP FRUITS OF REVOLUTION

Tehran KEYHAN in Persian 30 Aug 84 p 3

[Text] A group of teachers and officials from the Ministry of Education, accompanied by members of the ministry's Technical and Professional Islamic Society, met yesterday evening with the speaker of the Majlis.

In the meeting, Hojjat ol-Eslam va ol-Moslemin Hashemi-Rafsanjani, after recalling the great martyrs Raja'i and Bahonar, said: Wherever we went to spread the word before the revolution's victory we received a greater welcome from the crusading Muslim teachers. It was not without reason that one of the basic goals of the counterrevolution was the assassination of educators. When martyrs Raja'i, Bahonar and the great Beheshti were alive, we had no worries at all about the sectors that concerned them. Meaning our minds were not as much at ease regarding any other sector of our country, because while these martyrs were responsible for the educational sector, they were also leaders of the revolution. Right now we are still mainly using the capital they accumulated.

The loss of these brothers was a very heavy blow to us. Although to a great degree the sacred blood of these beloved ones compensates for their loss, we still cannot fill their empty places.

Hojjat ol-Eslam Rafsanjani added: Raja'i was a revolutionary teacher who had been imprisoned, and was deep and sincere. Bahonar was a literate, sincere, crusading and experienced researcher and teacher. Both of them had sweated blood on the path and were very valuable to our revolution.

The Majlis speaker then pointed to the important role of education in building the new generation, and the role of a teacher in the work environment, at home and in the family, and said: The special nature of the teacher appears in every environment and shows itself. Our teachers must strive to fill the empty places of the beloved martyrs Raja'i and Bahonar. For this reason they carry a heavy responsibility on their shoulders. If they were united and industrious, now they must be more united and more industrious. It will be a minimum of 15 years before the fruit of the work of our teachers in education will certainly show itself. This is an epoch during which several million children and youth will gradually lay the foundation and build our future society under the tutelage of their teachers. Although the mass media, the

universities, the family, and other organizations each have a role in constructing society, the skeleton, framework and its yield are the responsibility of you teachers.

He added: Revolutions always bear the fruit of their work in the following generations. The revolution's first generation is one that lived under the past regime, and its energy is consumed in building the future and repairing the corruption left over from the past.

The revolution's first generation is one of disorder, of patching and mending, of throwing away and cleaning up, of recognizing problems and making efforts. The purest generation is always the revolution's second one. We cannot count too much even on the third generation. Because the present generation is fleeing from the corruption of the past, it has assumed a transitional character.

As more of the new generation come on the scene, more reforms will occur.

Sociologists usually say that it takes 20 to 35 years for a revolution bear fruit.

The Majlis speaker then pointed out that because we are in the midst of society and that social development takes place gradually, we do not sense the people's development, and said: The person who senses the growth and development of society is he who mainly looks at it from outside. Our enemies have also studied sociology, and know the effects of education on one generation. For this reason they are intensely striving to keep us from reaching the desired point at which every strata of our society would be educated and would perform their roles well. It is not without reason that they are suppressing Islamic movements in every corner of the globe. They are watching Muslims in Tunisia, Morocco, Indonesia, Malaysia, Saudi Arabia and the Persian Gulf sheikdoms. Muslims are also closely watched in the communist countries, in Yugoslavia and the Soviet Union. Domestically as well as the agents of blaspemy and world arrogance still do not cease their evil-doing.

Hojjat ol-Eslam Rafsanjani then pointed to the airplane hijacked by U.S. agents, and said: They stole an airplane from our country, and in the skies of Kuwait, with the cooperation and participation of Kuwait, set their plot into action. Ba'this fighter planes forced the passenger airlines to Iraq, despite the pilot's resistance. although this action is sufficiently shameful, they also held a televised interview with the plane's hijackers. Although we cannot expect anything from an aggressor country like Iraq, we have something to say to the world and the international organizations and societies which have remained silent and have said nothing against these shameful actions. How can there be any security on the world's airlines while the ugliness of insecurity is destroying the airlines? Our enemies are so enraged by the Islamic revolution that they are just reacting and doing illogical things. When they brought the plane from France to Iran, they started up a great ruckus and treated the Islamic revolution insolently and vengefully. All this stems from our enemies seeing the educational movements of our Islamic society and fearing for their future. Hojjat ol-Eslam va ol-Moslemin Hashemi-Rafsanjani then pointed to the incident of the Israeli attack on the multi-story building that led to the

massacre of a large number of Muslims, and said: They kill the Lebanese people just because they are friends of the Islamic revolution. The international organizations of the East and West raise no outcry at all, and all eyes are riveted on the Islamic republic.

In conclusion, the Majlis speaker pointed out that from the material standpoint our teachers are less well off than the average, and asked them in light of the country's problems to continue their great mission with the same satisfaction, patience and dedication. He expressed hope that this patience and satisfaction would be a model for other strata.

CSO: 9597

CSO: 4640/401

AZERBAIJAN'S BARREN LANDS BEING CULTIVATED

Tehran KEYHAN in Persian 30 Aug 84 p 3

[Text] Tabriz--15,000 hectares of barren land and pasture in East Azarbaijan Province are being cultivated.

According to a report by the CENTRAL NEWS UNIT, following the Islamic revolution's victory, the General Office of Agriculture, the chief of Forest Management, the Reconstruction Crusade, the Land Ceding Commission, and the Institute of Soil Fertility in East Azarbaijan Province began efforts to bring 70,000 hectares of barren land into cultivation. Through the construction of dams and dykes, canal digging, pumping, well-digging, soil-washing, dredging and drying out of swamps, and leveling, 15,000 hectares are now growing agricultural produce. Efforts to rejuvenate other land in the region are now continuing.

In addition, following the Islamic revolution's victory, in order to gain self-sufficiency in agricultural produce, the Reconstruction Crusade and the Agricultural and Rural Services Offices built 25 dams with a capacity of 20 million cubic meters in various parts of East Azarbaijan Province. They brought thousands of hectares of the region's agricultural land into cultivation.

At the present five more dams with a capacity of 35 million cubic meters are under construction, which will supply the water needs of 9,000 hectares in the near future.

According to the report of the Land Ceding Commission, it has so far ceded 100,000 hectares of land to 15,000 farmers on a temporary basis according to Articles A and B of the Land Ceding Bill, and has also permanently turned over 3,323 hectares to 741 farmers.

The Agricultural Bank of East Azarbaijan has given 45 billion rials in loans to 245,000 farmers for use in irrigation and agriculture, and has also given 77 million rials gratis to 720 farmers in various parts of East Azarbaijan.

In order to help the hard-working farmers in the East Azarbaijan region, the Agency for the Expansion of Agricultural Equipment in East Azarbaijan has turned over 10,600 tractors and combines and nearly 2,000 other items of agricultural equipment to the farmers in the region.

KOREAN DELEGATIONS TO VISIT

Karachi DAWN in English 11 Sep 84 p 4

[Text]

ISLAMABAD, Sept 10: Two high-powered delegations of the Government of the Republic of Korea for scientific and technical cooperation are expected to visit Pakistan this month, according to a Korean Embassy Press release.

The first nine-member delegation led by Mr Won-Ki Kwon, Assistant Minister of the Korean Ministry of Science and Technology, will arrive on Sept 11 and stay in Pakistan for a period of 16 days.

The second delegation scheduled to arrive on Sept 19 will be led by Dr Hyung Sup Choi, Advisor to the Korean Government on Science and Technology.

Dr Choi, former minister of science and technology of the Korean Government, played a principal role in establishing the Korea Institute of Science and Technology (KIST) in 1966, which was later renamed as KAIST. This delegation will stay in Pakistan until Sept 26.

During their stay in Pakistan, the two delegations will have meetings and discussions with officials of the Pakistan Government and related research organisations for the purpose of promoting technical cooperation between the two countries in various fields.

They will also visit Karachi, Peshawar, Lahore, Faisalabad and Sialkot as well as Taxila and Tarbela.

It may be recalled that during the visit of Dr Mahbubul Haq, Pakistan Minister for Planning and Development to the Republic of Korea in November last year and Mr Shin Byong Hyung, Korean Deputy Prime Minister and Minister of Economic Planning to Pakistan in April this year, the two governments agreed to promote technical cooperation in various fields, including science and technology.

LOCAL BODIES SAID PLAYING POLITICAL ROLE

Lahore VIEWPOINT in English 30 Aug 84 p 12

[Article by Husain Naqi: "A Record Few Cities Could Match"]

[Excerpt]

THE 'NON-POLITICAL' Lahore Municipal Corporation has come up with a resolution on a matter that has been described by the opposition in the LMC as patently political. Whatever they may say, in my view it is a positive development. The local bodies could never be and have never been non-political institutions all these years and even the disqualification of those calling themselves 'Awam Dost' in the first term, was a political move to keep those who did not see eye to eye with the regime out of this grassroots institution. So, there is nothing unexpected or surprising in the steam-rollered resolution beseeching Gen. Mohammad

Ziaul Haq to continue with his 'mominana' (pious) pursuits as President. The opposition in the LMC, however, deserves and could take genuine credit for exposing the tactics of the brute majority which could get the resolution approved even if it had allowed a discussion on it. Opposition leader Mian Usman's observations, on the floor of the House, which will not go on record but have been published in the dailies, seeking fulfilment of the promise made on behalf of the army to hold elections under the 1973 Constitution and handing over power to civilian authority, represented the views of the *silenced* majority.

Slow-Pace

One is, however, surprised at the slow-pace at which similarly worded resolutions are being passed by the municipal committees and other local bodies. But then, there still is a lot of time available till March 1985 and there would be little to wonder if by that time the chorus is also joined in by other 'non-political' organs like the Zakat, Ushr Committees and Salaat Committees. Now, with even Pir Pagara having said that these bodies are politically motivated, all doubts about their utility should be dispelled.

CSO: 4600/02

FEDERAL CABINET APPROVES REVIVAL OF RCD

Karachi DAWN in English 11 Sep 84 pp 1, 10

[Text]

RAWALPINDI, Sept. 10: The Federal Cabinet has approved the revival and activation of RCD under a new name, "Regional Economic Cooperation," as proposed by Iran.

The Cabinet, which met here on Monday under chairmanship of President Gen. Mohammad Zia-ul-Haq, also agreed to an Iranian proposal that the highest council of the RCD (the Council of Ministers), instead of being composed of the Foreign Ministers, should be made up of Under-Secretaries for Economic Coordination of the three countries (equated with Pakistan's Federal Secretary) and that Regional Planning Council could also be at the Under-Secretary level.

It may be recalled that RCD was established in 1964 and till 1979 was an active organisation which had greatly contributed towards the enhancement of economic cooperation between Pakistan, Iran and Turkey.

Amendment

Approval in principle was also given by the Cabinet to an amendment to Unani, Ayurvedic and Homeopathic Practitioners Act of 1965 whereby all qualified Tabibs/homeopaths/Ayurveds, registered with the National Council for Tibb and the National Council for Homeopathy, will have to seek renewal of their registration after every two years, paying an appropriate renewal fee.

The step has been taken to remove the difficulties faced by these

corporate bodies in maintaining upto-date registers and lists of Tabibs/homeopaths by making alterations in the address and qualifications of the practitioners. As the Tabibs and practitioners had to get themselves registered only once and there was no provision for the renewal of the registration, it was very difficult for these bodies to know about the death of a practitioner or other causes demanding deregistration.

Further, these bodies entirely depended on Government grants and did not generate any money at their own to meet their expenses.

The new measure, it is hoped, would lead to reducing their dependence on Government funds to some extent.

The Cabinet reviewed the working of WAPDA. It was informed that in pursuance of the implementation of Federal Government's decision to reorganise WAPDA, the Authority was saving a sum of about Rs. 150 lakh per annum in different sections.

It was stated that WAPDA employs more than 125,000 persons of various categories and professions including engineers, senior executives, managers, scientists, technical and non-technical staff, besides skilled and unskilled labour. In order to ensure maximum utilization of the huge manpower and equipment at the disposal of WAPDA, the O and M Division of the Federal Government conducted a thorough study of some of the offices of WAPDA and made certain recommendations including setting up of O and M cell in WAPDA.

The O and M cell, since its inception, has completed 16 major studies and made important recom-

mentations which, after their implementation, have resulted in considerable improvement in the efficiency of the organisation as well as substantial saving in its expenditure.

The studies, conducted by the O and M cell, included performance evaluation of meter readers, bill clerks and bill distributors; review of Budget and Coordination Division, performance of G.M. transmission and grid station, functioning of resident representatives of WAPDA, working of Accounts Directorates and revenue offices and some technical branches.

New bank-note

The Cabinet gave its approval to a new design of Rs. 2 denomination bank-note, which is proposed to be reintroduced shortly.

The Cabinet had, in principle, agreed to the reintroduction of Rs. 2 denomination note, at its meeting held on July 5 last and directed that a suitable design should be prepared for these notes.

Accordingly, the State Bank furnished four designs. The one, approved by the Cabinet, has a decorative pattern with crescent and star on its obverse and Badshahi Mosque on reverse.

The Cabinet approved a number of suggestions for further improving the working and efficiency of the Audit Department to ensure effective check and control on the spending and financial discipline of the public sector. The recommendations, endorsed by the Cabinet, include setting up of departmental committees to accelerate the process of finalisation of audit inspection reports, strengthening of internal audit system and improving the existing training facilities at the Audit and Accounts Training Institute.

The Cabinet recorded its appreciation of the performance of the Auditor-General, Mr Rauf Ali Sheikh, and commended the efforts of Audit Department in clearing many years' backlog of annual reports placed for examination before the Public Accounts Committee.

The Cabinet noted with satisfaction the timely submission of annual reports before the PAC, which will greatly help in enhancing the effectiveness of the audit system.

Energy conservation

The Cabinet explained the importance of conserving energy in the country. The Cabinet decided that the agencies involved in planning of conservation measures should study various aspects of the problem and suggest appropriate ways and means.

The Auditor-General of Pakistan briefed the Cabinet on the role and functions of the Pakistan Audit Department dealing specially with the procedures of Government audit accounts, the effectiveness of the present financial and accounting system, and the lines on which the existing arrangements could be strengthened and improved.

The Cabinet was briefed by the Minister of Foreign Affairs about the recent indirect talks held at Geneva on the Afghanistan problem.

Earlier, the Cabinet started its deliberations with recitation from the Holy Quran and its translation by Mr. Illahi Bakhsh Soomro, Federal Minister for Industries.

The meeting was attended by Federal Ministers, Ministers of State and concerned Federal Secretaries.—PPI

COMMENTARY ON REACTIVATING RCD

Karachi DAWN in English 16 Sep 84 p 7

[Editorial]

[Text]

THE Federal Cabinet's approval of the Iranian proposal to reactivate the RCD under a different nomenclature — Regional Economic Cooperation — is a welcome step and one that should speed up efforts to revive the moribund organisation. The most positive aspect of the move — to revive institutional economic cooperation between Tehran, Ankara and Islamabad — is the fact that the first step in this direction was taken by Iran. This is significant in that it was Iran, after the revolution, that had expressed strong misgivings about the aims and objectives of the organisation and had insisted on its dissolution. But although the move to liquidate the RCD was forestalled and the organisation was never formally disbanded, for all practical purposes the RCD has since then remained a dead institution. The need for improved political and economic relations with Turkey and Pakistan has induced second thoughts in Tehran about a trilateral framework for such cooperation. As such, in January this year the Iranian Majlis expressed itself in favour of the revival of the RCD. The decision was welcomed in both Islamabad and Ankara. As a follow-up, the new Secretary-General of RCD, Mr. Behcet

Turemen, undertook a visit to Pakistan and Iran and since then some progress has been made towards reviving the organisation.

Although the RCD was never the success it had promised to be at the time of its formation in 1964, this should not be taken to mean that the potential for economic cooperation between the three States was, or is, lacking. In the 15 years of its existence as an active body (till 1979) the RCD had failed to make any effective impact as an instrument for trilateral cooperation in the economic and other fields, although as many as 52 joint development projects were approved within a few years of its existence. The failure points more to the lack of a political will on the part of the Governments of the three States to impart dynamism to the organisation than to any intrinsic unsoundness of the idea itself. One has to accept that a significant factor was the absence of the degree of similarity of orientations and complementarity of the three economies that could have provided an ideal and ready ground for forging important links for cooperation and mutually beneficial exchanges. Although the three economies

were hugely import-oriented, their external trade decisions and policies were largely determined by the economic, political and military obligations that each country had accepted under proddings from its Western allies and aid-givers. That situation had reduced the scope for mutual trade and economic cooperation between the three partners. Not surprisingly, for all the RCD's declared aims, the volume of trade between the three member-countries never exceeded two per cent of their total external trade. Part of the reason was that no serious efforts were made to create the basic infrastructure of trade and economic cooperation. The organisations set up in this regard such as the RCD Chamber of Commerce and Industry and the RCD Reinsurance Centre, were all non-starters, even though the issues and proposals involved were discussed and debated endlessly and paper planning was done with an over-abundance of zeal and exuberance. However, these should not be taken as indications of decisive failure. Despite the disappointing performance, there is little doubt that much scope exists for cooperation. Resuscitating the organisation, even in a modified form, should not pose

any problem since no basic disagreement exists between the three States. That under the new proposal the organisation is to be downgraded from its previous status — the newly envisaged highest council is to be composed of Under Secretaries for Economic Coordination as against Foreign Ministers under the previous arrangement — should not be seen as a discouraging factor, since the emphasis is to remain on economic cooperation. Secondly, it is a sound idea to start on a modest level and try to achieve more, rather than aiming too high and doing too little. While specific proposals and priorities are worked out and considered, a good starting point could be to begin to tackle the infrastructural needs and deficiencies — the incomplete RCD Highway, missing links in the railway network and so on — in order to pave the way for meaningful cooperation. If a sincere effort to get joint projects under way is made keeping in mind the economic needs of each country and the three partners succeed in pooling their resources, expertise and manpower under the new arrangement, the Regional Economic Cooperation could fulfil all the hopes and aspirations of the old RCD.

DECISION ON ISLAMIC MONETARY FUND SOON

Karachi DAWN in English 11 Sep 84 Business Supplement p I

[Text]

KARACHI, Sept 10: A decision on the creation of Islamic Monetary Fund is likely to be taken 'very soon', Mr Sami Onaran, Secretary General of the Islamic Chamber of Commerce and Commodity Exchange disclosed here on Monday.

Addressing the members of Karachi Rotary Club, he said that the proposal mooted by the Federation of Pakistan Chambers of Commerce and Industry (FPCC&I) had gained support of the member countries numbering 44.

He said that the Islamic Monetary Fund would promote stability in foreign exchange etc. The Secretary General said that 'favourable decision' on the adoption of preferential system in tariff for certain products, would soon be taken. He named textile, food, iron and steel products, glass and ceramics, electrical goods and home appliances.

He said the Islamic Chamber had also submitted recommendation to the Organisation of Islamic Conference (OIC) for the adoption of preferential system by the Islamic world. It would lead to increased trade among the member countries.

Mr Sami Onaran said that the Islamic Chamber had also recommended for the setting up of Exim bank which could finance in-

creased trade in the member Islamic countries.

Mr Sami Onaran said that Muslim world, with a population of 800 million, had huge natural resources. But, he said, that only 15 per cent of the world export trade and 10 per cent of import trade are shared by the Islamic countries.

He said that bottlenecks in increased trade among Islamic world had been identified. These were simple such as lack of information. The member countries are not aware of the products of the member countries. Secondly, he said that the countries are not willing to change their traditional trading partners. Inadequate transportation facilities also hindered increased trade.

The Secretary General said that the Regional Cooperation for Development (RCD), is being strengthened. He cited the example of Pakistan and Turkey which had no direct shipping services.

Mr Sami Onaran pleaded for the development of shipping services by the member countries for increased trade.

He said that experts were studying whether insurance scheme was in conformity with sharia. He said that the proposal of re-insurance system in Islamic countries could not be adopted. —APP

CSO: 4600/758

MANPOWER TEAM TO VISIT MIDDLE EAST

Karachi DAWN in English 13 Sep 84 p 9

[Text]

KARACHI, Sept 12: An official delegation will visit Middle East shortly to study the problems faced by Pakistani citizens working there and assess the future manpower export potentials, Mr. Ghulam Dastagir, Federal Minister for Labour, Manpower and Overseas Pakistanis, said here on Tuesday.

The delegation will be led by the Federal Secretary, Ministry of Labour, Manpower and Overseas Pakistanis, and is to leave in about two or three weeks' time.

Mr Dastagir was talking to newsmen at Karachi Airport on arrival here from Jeddah after performing Haj.

He said he himself would go on a follow-up visit to the Middle East in the near future.

Answering a question about the return of some Pakistani workers from the Middle East due to economic slowdown in this region, he said no mass exodus of Pakistani emigrant labour had taken place recently, and such an eventuality was highly unlikely.

Pakistani workers, he said, returned home from time to time as a

matter of routine, due to completion of construction projects on which many of them were employed.

He said Pakistan Government would study ways of encouraging the export of skilled rather than unskilled manpower in future.

Asked whether Pakistan Government would discuss the possibility of government-to-government contracts for the export of Pakistani workers to the Gulf nations, he said these countries did not work on such a basis. They import manpower through private agents, who deal with their counterparts directly in various foreign states, he added.

Mr Dastagir said he had already met Pakistani manpower export agents in Islamabad recently, and would hold a similar meeting with agents located at Karachi soon.

He ruled out the possibility of banning private manpower export agencies and added that the present set-up of recruiting workers for foreign countries through private agents would continue unaltered.

CSO: 4600/02

ASPECTS OF ISLAMIC BANKING DISCUSSED

Karachi DAWN in English 13 Sep 84 p 7

[Article by Sultan Ahmed]

[Text]

THERE is more to a real Islamic economic order than Zakat and interest-free banking. While these can be helpful to the masses, far more is needed to create any kind of welfare States, particularly in non-oil States with large populations like Pakistan.

Annual zakat collection on an average has been equal to one per cent of the Federal revenues in Pakistan. In the first year when Zakat collection was about Rs. 45 crores Federal revenues were around Rs. 5,000 crores. And this year zakat collection was about Rs. 75 crore while the gross revenues receipts of the Centre will be Rs. 7,942 crore.

If the socio-economic condition of 93 million of Pakistan cannot be changed through the current Federal revenues and the provincial resources, adding one more per cent to that in the shape of Zakat cannot bring about a radical transformation of the lot of the masses in a country where 30 per cent of the people live below the poverty line.

Abolition of usury is undoubtedly essential. But the real usury we have is not in banks but outside them. It is in the unorganised sector, and even more in the rural areas where giddy interest rates go along with brutal extortion.

And in the area of interest-free

banking it is not enough if capital or commercial credit can be had in principle without interest. What matters far more is the actual availability of funds and the quantum available to the average man in need of that. The basic question now is whether there will be a radical change in the approach of banks to lending to the men of small means, men without official clout or large resources of their own? Will the familiar painful experience and varied exertions of small men trying to borrow from banks give way to a more equitable order after Islamic banking comes into vogue?

Lending by banks

If Islamic economics is to be based on Ehsan and Adl there has to be a radical change in this regard and borrowers must not be measured by their financial or material resources alone before lending money to them.

In modern capitalist banking loans are provided on the basis of security or collateral. The rich man has the collateral and the poor man has not. So the rich are able to borrow from banks readily, after even inflating the market value of their collateral, if necessary, while others are not, often even when they have the collateral. The whole banking system is now posed against the small man and in favour of the rich men.

The essence of capitalism is money goes where money is, and

capital goes where capital is. So the rich becomes richer and the poor poorer. Will this obnoxious process continue even after full Islamic banking comes into vogue?

Because of the concentration of credit in a few hands the State Bank of Pakistan set up the Credit Distribution Committee to ensure that all the sectors received a fair share of the bank advances. In spite of that, in spite of the new concern for the small man, banks are reluctant to lend to the small borrowers. There is a good deal of corruption in this area as well, and some bank executives are demanding an increasing share of the loans they give out for themselves.

Take the case of doctors. Dr. Mahbubul Haq says it costs the Government Rs. 4.50 lakh to produce a doctor. But when an unemployed doctor applies for a loan of Rs. 50,000 to a Rs. one lakh for setting up a dispensary the banks will not provide that. He does not have the security to obtain the loan and so he remains unemployed and agitates along with others for proper jobs.

So we have 5,000 unemployed doctors in Sind at one end and millions of medically uncared for masses at the other end. And each year the five medical colleges are producing 1,700 doctors more.

Talented students

Is not something seriously wrong with our economic system that the government is ready to invest Rs. 4.50 lakh on producing a doctor but the Government banks will not lend him Rs. 50,000 or more to make his education useful to him and the country? And yet we go on producing more doctors and swelling the ranks of the unemployed medicos.

The Government cannot employ all the doctors unless there is a radical change in public health policy. The alternative then is to help the doctors to help themselves and the ailing masses of the country. But the banks are not prepared for that. That is not the role of pure capitalistic banking; but when we have Islamic banking will the approach to such borrowers change?

The system of Qarz-i-Hasna has been introduced to help talented but poor students to have higher

education. What happens after his education is complete and he looks for a job? If a suitable job is not available, or if he feels he will be better off on his own, will the Islamic banks come to help him with the requisite loan on the basis of his degrees?

Degrees are not bankable now. Will they be under the Islamic system of banking? Trust is an essential part of the Islamic society. If that is not there, it cannot be a real Islamic society. If instead the banks rely entirely on physical security it is hardened capitalism and not truly Islamic banking.

Modern industrialisation is proving to be too costly. Mechanisation, automation, computerisation have inflated the investment costs and reduced employment opportunities. So in a heavily populated country like Pakistan industrialisation has to go hand in hand with increasing employment opportunities. If a large number of persons with the requisite skills choose self-employment will the Islamic banks come to help them financially even when they don't have the requisite collateral?

Following the massive unemployment in the West the tendency of a considerable number of unemployed persons is to work towards self-employment. So mechanics, carpenters, electricians etc are more readily available to householders there than in the past. If the same is to happen in Pakistan, and individuals seek self-employment instead of making demands on the State for employment, will the necessary loans be available from banks?

The over-emphasis on large-scale industries in the country is now evening out and the importance of small industries is being recognised increasingly. But the small industries cannot make real headway unless the banks are ready to help them, not in the manner they have been doing hitherto with a score of encumbrances and impediments, but in a positive manner.

It would be argued by the banks that if loans are given to small men without the requisite collateral they will run away with the money. Some of the men may certainly do that. But have not the rich and very rich men to whom banks had given large amount of money run away with it or sunk the money elsewhere? If they had not done that we

might not have so many sick mills with financially over robust owners? So if the banks can take chances with the rich, whose assets are ultimately found to be too small compared to the large bank advances, it can take chances with the small men as well. During the teething period the total loss may not be very large. Anyway, an Islamic banker cannot talk like a capitalistic banker, unless he ignores Ehsan and Adl.

When Prof. Ludwig Erhard visited a number of Asian countries before he became Chancellor of West Germany, he said of the Asian economy as "too few hands producing, too many hands selling." This is no longer true of the Far East but this is valid in the South Asian countries, including Pakistan. Hence the Bori Bazars, pushcartmen and hawkers all over city streets.

If we want to make our economy more productive and increase the per capita income of Pakistanis, we have to make more and people go into production instead of taking to hawking. Self-employment or employment within small family groupings is one means of doing that. The banks have to play their role in making that possible.

Self-employment

It is said in the U.S. making the first million dollars is very difficult, but once that is done that million can make more millions by itself. In the same manner in Pakistan the small borrower runs into very serious difficulties; but once he becomes rich the loans come readily.

This is the crux of capitalism. Every institution in a capitalist structure is out to help the rich and make him richer. If we follow the same pattern in an Islamic economic order that will be a clear contradiction. That will be the same old odious banking practices, but with a new name.

So we cannot make banking Islamic by abolishing interest and substituting it with profit. Making bank loans available to those who need really them, loans which are really useful to the country and productive, and can increase employment is equally important, if not far more. So this second dimension of Islamic banking should not be ignored, and it can be only at the cost of 'Ehsan' and 'Adl'.

MANUFACTURING UNITS PROPOSALS RECEIVED FROM SEVERAL COUNTRIES

Karachi DAWN in English 20 Sep 84 Business Supplement p I

[Text]

KARACHI, Sept 19: Preliminary proposals have been received by Chamber of Commerce and Industry, Karachi from Japan, South Korea, United Kingdom and Switzerland for the supply of manufacturing units to Pakistan.

While Japan has offered new and reconditioned plant to manufacture tissue paper with technical know-how, proposals from South Korean firms are for mosquito coil making plant, cellophane tape and PVC electric insulation tape making plant on hot melt process, plant and machinery based on greasy soluble system to manufacture almost all kinds of tapes, cellophane, PVC polyester, kraft, masking, cotton and high quality both side tapes.

The British and Swiss parties proposals are for fully automatic 50 MM two colour extrusion line for the production of complete ball point pens, refill, tubing, ink injection and refill assembly and complete plant for the production of spirally wood paper drinking straws.

Meanwhile, Karachi Chamber of Commerce and Industry has requested its members to send specific cases of problems and difficulties faced by them in connection with investments in new industries specially relating to infrastructure facilities such as water, gas, electricity, joint ventures, know-how of new units etc particularly in the light of new industrial policy and investment scheme announced by the Government. APP

CSO: 4600/03

ISLAMIC INVESTMENT COMPANY PLANNED

Karachi DAWN in English 20 Sep 84 Business Supplement p 1

[Text]

KUWAIT, Sept 19: Arrangements are in the final stages for the establishment in Pakistan of an Islamic Investment Company in cooperation with the Kuwait Finance House, the only interest free Islamic bank of Kuwait. This was stated, by Mr Mehdi Masud, outgoing ambassador of Pakistan to Kuwait.

He said the past six years have been a period of intense activity in the long relationship between the two countries, which was climaxed by the Amir of Kuwait, Sheikh Jaber Al Ahmad Jaber's official visit to Pakistan in 1980.

Mr Masud, said that continuing and constant exchanges at different government levels have facilitated major cultural progress and a substantial broadening of economic cooperation between the two countries.

During the past six years, the first ever oil exploration agreement with a non-western party was signed by Pakistan and Kuwait. This was one of the few agreements

signed by Kuwait from among 40 countries seeking similar cooperation, Mr Masud emphasised.

The Pakistan-Kuwait Investment Company has been established to promote investment in industrial projects in Pakistan, the Company has already invested about dollar 50 million in industrial projects in Pakistan.

He added, that several agreements have also been signed with the Kuwait Fund to assist development projects in Pakistan. They include railway modernisation, the Quetta natural gas project, the Quetta and Gadani water project and Electrical and Irrigation Department schemes.

Kuwait and Pakistan signed an investment treaty in 1983, which is expected to facilitate investment in suitable projects, Mr Masud said. Extensive efforts, he said are being made to promote additional investment in the export processing zone of Karachi, with dollar 13 million already invested by Kuwait.

CSO: 4600/03

PLAN BEING CONSIDERED TO SUBSIDIZE LAND RECLAMATION

Karachi DAWN in English 11 Sep 84 Business Supplement p 1

[Text]

ISLAMABAD, Sept 10: The Federal Government is actively considering a proposal to earmark a subsidy of Rs. 30 million for reclamation of more than one lakh acres of land affected by salinity, the Minister of State for Food and Agriculture, Mr Sartaj Aziz, told APP here on Monday.

He said that the Government has designed a pilot project for implementation during the next three years to reclaim, at least, 50,000 acres of land in Punjab, 40,000 in Sind and 20,000 acres in the Frontier Province by utilising grade gypsum.

Decision regarding the approval of the project was expected during the next four weeks, the Minister said.

The project was currently being considered by the Executive Committee of National Economic Council (ECNEC).

Mr Sartaj Aziz said the country had huge deposits of gypsum totalling over five billion tonnes with the biggest mines near Tanda Dam of Kohat, NWFP. Dera Ismail Khan also had the gypsum mines, estimated at 90 million tonnes, in addition to Jhelum, Khera and Mianwali.

The current market price of gypsum ranges between Rs. 300 and Rs. 350 per ton, while its mining cost is less than Rs. 50 per ton. He said that Pakistan Agricultural Research Council has conducted research on the use of gypsum on salt affected lands to reclaim them. The results testify the contention that it can double the production. It also means additional income to the farmers.

Mr Sartaj Aziz said the results of

research clearly indicate that fairly high economic return can be obtained from the application of gypsum.

The Minister revealed that due to gypsum application in Basmati rice lands, additional income of Rs. 3,612 per hectare was obtained, while in case of IRRI-6, the return was little less than Rs. 5,000 over a period of three years. Similarly, high economic returns have been obtained in case of wheat.

These returns would be of much higher order if income from the total crop production system in the area is considered. However, for judicious application of gypsum more scientific research was required.

He said that national gypsum requirements should be worked out accurately and reclamation process should be well-monitored to achieve the desired results.

Actual cost

Mr Sartaj Aziz said that the Provinces were trying to enlarge the scope of the land reclamation project, in which the Government would subsidise the cost of gypsum by some 50 per cent.

He said that actual cost of the gypsum was very low, ranging from Rs. 50 per ton, while due to the transportation and packing expenses its market price was as high Rs. 300 to Rs. 350 per ton.

Efforts were underway to evolve a system of efficient transportation and saving the packing and storage cost which will reduce its price by more than 50 per cent, thus eliminating even the need of subsidy, he added. —APP

AGRICULTURAL TEAM REFUSED VISAS TO INDIA

Karachi DAWN in English 13 Sep 84 p 3

[Text]

FAISALABAD, Sept 12: The Indian Embassy at Islamabad has refused visas to a Pakistani delegation of four agricultural scientists who had been invited through the Indian Government by Dr Sukhdev Singh, Vice Chancellor of Punjab Agriculture University, Ludhiana.

The pretext offered was the law and order situation in East Punjab.

According to a knowledgeable source, Dr Sukhdev Singh invited the Vice Chancellor, University of Agriculture, Faisalabad, to participate in the old boys' gathering of that university, being held at Ludhiana from Sept 10 to 12, along with a delegation of agricultural scientists.

Consequently, the Punjab Governor, who is also the Chancellor, nominated a four-member delegation led by Mian Mumtaz Ali Khan, VC. The other members were Khan Misbahuddin Khan, former Director General (Extension) Punjab Agriculture Department, Dr

Sardar Mohammad Qureshi, ex-Director General (Research) Ayub Agriculture Research Institute, Faisalabad, and Dr M. Irfan, Dean, Faculty of Veterinary Sciences, University of Agriculture, Faisalabad.

The delegates received the necessary sanction from the Federal Government, but could not participate in the old boys' gathering and agriculture research officers' workshop, as the Indian Embassy at Islamabad refused to issue necessary documents for travel purposes, owing to the law and order situation in East Punjab.

It may be recalled that recently a ten-member delegation of agricultural scientists from the Punjab Agriculture University, Ludhiana, participated in an old boys' gathering of former Lyallpur Agriculture College held at the University of Agriculture, Faisalabad.

CSO: 4600/02

BIG DOWNSTREAM PROJECTS APPROVED

Karachi DAWN in English 13 Sep 84 Business Supplement p I

[Text]

KARACHI, Sept 12: The Federal Government has sanctioned two big downstream projects of Pakistan Steel for the manufacture of tin plates in the country.

Pakistan Steel sources said that two more such projects of the private sector are still pending approval of the Government.

One of the two-projects sanctioned would entail an expenditure of Rs. 900 million. It will have annual production capacity of 1,20,000 to 1,40,000 ton tin plate. The other project costing Rs. 550 million would have annual production capacity of 45,000 ton plates.

The sources said that the country had no unit producing tin plate. All the requirements of tin plate in the country were met from imports.

Tin plates are used in manufacturing cannisters for ghee, edible oil, petroleum products and other items.

CSO: 4600/02

YUGOSLAVIA TO HELP BOOST CORN OUTPUT

Karachi DAWN in English 20 Sep 84 Business Supplement p 1

[Text]

KARACHI, Sept 19: Yugoslavia will send one or more teams by the end of this year to formulate a programme for increasing the production of maize in the main maize producing areas in view of its promising prospects in the country.

An agreement to this respect was reached at a meeting of the committee of experts from Yugoslavia and Pakistan which met here today. The committee was set up at the fourth session of the Pakistan-Yugoslavia Joint Commission which met in Islamabad from Jan 31 to Feb 2 this year.

At the experts' committee meeting Pakistani delegation was led by Mr Sartaj Aziz, Minister of State for Food and Agriculture while the Yugoslavian team was headed by Mr Ing Branko Turudija.

The Committee was entrusted to identify suitable areas of co-operation and to recommend the financial arrangements for meeting the expenditure on preparation of feasibility studies. The Committee was also asked to determine the formula for cost sharing of scientific and technical co-operation and for determining the terms and conditions and emoluments of the experts in all fields of scientific, technical, educational and cultural co-operation.

The Yugoslavian teams would formulate one or more projects for processing maize after taking into account the domestic and international demand for different products.

Terms of reference

They would also formulate a programme for the improved

marketing particularly to the Middle East market.

It was decided that Pakistani side would constitute its own team to undertake preparatory work for the Yugoslavian mission and to work within the country.

The composition and detailed terms of reference of the mission will be communicated by the Yugoslavian side within next four weeks.

In the meat processing and marketing area, the meeting noted that the prospects for establishing meat industry on economically viable basis were rapidly improving.

The meeting agreed that Yugoslavia will send a project formulation mission which will attempt to formulate one or more integrated meat development projects including fattening, processing and organised marketing of beef and mutton in the country. Yugoslavia will consider to participate in the equity and management of any of these projects once these were ready.

It was decided that Pakistan will constitute a team of experts and representatives of institutions concerned to undertake preparatory work and to collaborate with the Yugoslavian mission.

Projects

In the sector of fruits and vegetable processing, the meeting agreed that in addition to the continuing cooperation on setting up specific fruit and vegetable processing projects in the private sector, the Yugoslavia side will undertake

a study to advise on the best processing technology and packing material for different fruits and vegetables, particularly mangoes, pears, apples, potatoes, onion and tomatoes. The preparation of specific projects in this sub-sector will be essentially export oriented.

The meeting noted the urgent need to increase the production of edible oil from non-traditional sources of Pakistan, particularly sunflower and soyabean.

The Yugoslavian side agreed to study various aspects of production and processing of sunflower in Pakistan and explore best means in attaining production targets of growing sunflower on 300,000 acres by 1987-88.

CSO: 4600/03

NATIONAL LIBRARY TO START NEXT YEAR

Karachi DAWN in English 16 Sep 84 p 3

[Text]

ISLAMABAD, Sept 15: Dr Mohammad Afzal, Minister for Education, said that the National Library in Islamabad will start its full working by the middle of next year.

He was giving his introductory remarks at a one-day Consultative meeting of learned bodies held here on Saturday. The meeting arranged by National Book Foundation was attended by the heads of learned bodies including Pakistan Academy of Letters, National Language Authority, Urdu Development Board, Sindhi Adabi Board, Majlis-i-Taraqqi-i-Adab, Anjuman Taraqqi-i-Urdu, Quaid-i-Azam Academy, Punjab, and Baluchi Adabi Board.

The Education Minister said, the National Library will greatly help in preserving and disseminating literary and cultural heritage of Pakistan. It will establish close link with Research and Publication departments at home and abroad to supply interesting and valuable writing material to the readers, he added.

He said a high-powered board consisting of Ministers of Education, Planning and Law has already been set up to formulate book development policy. This policy, he added, will serve in the development of book industry in the country.

The Education Minister stressed the need for developing coordination in the working of various learned bodies. He said it should be done with the spirit of self-help and cooperation at the national level. He identified some major problems

in the development of book industry, which, he said, pertain to sale and publication of books, observing literary standard, avoiding duplication in publication, and availability of funds.

Dr. Afzal said, it has been decided that the National Book Foundation will develop coordination among various learned bodies by preparing and distributing a list of written works. He held out an assurance that the Government will extend all possible assistance in the production of healthy written material.

The Consultative meeting held general discussion on the problems of sale and distribution of books, publication of standard books, availability of financial resources for books publication and need for coordination among the learned bodies.

Those who participated in the discussion included Dr Ashfaq Ahmed, Chairman, Markazi Urdu Board, Dr Waheed Qureshi, Chairman, National Language Authority, Dr Maulana Mustafa Shah, Chairman, Sindhi Adabi Board, Mr Siraj Munir, head of Idara Saqafat-i-Islamia, Dr Khalid Saeed Butt, Director-General, Idara-i-Saqafat-i-Pakistan, Mr Asif Khan, Punjabi Adabi Board, Mr. Sharif Ahmed, representative of Jinnah Academy, Mr Ahmed Nadeem Qasmi, head of Majlis Taraqqi-i-Adab.

Later the meeting split into four committees to formulate recommendations on four separate issues for the development of book industry in the country.

BAR ASSOCIATION CRITICIZES QISAS, DIYAT LAWS

Karachi DAWN in English 16 Sep 84 p 3

[Text]

KARACHI, Sept. 15: The Managing Committee of the Karachi Bar Association has maintained that the proposed law in respect of Qisas and Diyat amounted to "violation of the dictates of Islam" as it differentiated between obligations and rights of men and women.

In a resolution adopted at its meeting on Saturday the committee deprecated the trend of "creating two kinds of citizens, one having more rights than the other."

"The proposed law in respect of Qisas and Diyat not only places women in unequal position but also

ordains that where the victim is female, her Diyat shall be one half of the scale as provided for the male", it explained.

The KBA executive further alleged that minorities have also been "deprived of their fundamental rights" and the proposed law was in violation of the Constitution and the principles of equality of all citizens before law.

It reiterated its previous resolutions calling for the restoration of the rule of law and supremacy of the Constitution.

CSO: 4600/03

BRIEFS

PUNJAB REVERTS TO 6-DAY WEEK--LAHORE, Sept 12--The Punjab Government has decided that offices of the attached departments, regional, divisional district, field offices and autonomous bodies should revert to the six-day week with immediate effect. The secretariat departments will, however, continue to observe the five-day week. Summer office timings for the offices working six days a week will be as follows: Saturdays to Wednesdays from 7.30 to 2.00 pm. without break. Thursdays from 7.30 to 12.00 noon. The Secretariat departments will continue to keep the existing hours. [Text] [Karachi DAWN in English 13 Sep 84 p 1]

COMMANDOS TO GUARD TRAINS--LAHORE, Sept 12--The Railway Police Guards on all important trains and sectors have been equipped with additional arms and ammunition. Trained commandos are also being deployed to head these guards wherever necessary. In Sind all important night trains carry 10 to 14 armed policemen with necessary equipment for night operations. These trains also carrying plain cloths men for intelligence and security work. A team of Railway Police officers is about to complete commando training and will put on duty immediately after the training is completed. [Text] [Karachi DAWN in English 13 Sep 84 p 1]

LAWYERS' RELEASE DEMANDED--LAHORE, Sept 12--Members of the Pakistan Bar Council, Syed Afzal Haider and Chaudhry Aitzaz Ahsan, have, in a joint statement, demanded immediate release of two lawyers, Syed Abdul Wahid Bukhari and Malik Mehdi Hasan, who were recently sentenced by a military court to three-year rigorous imprisonment each. The lawyers criticised the jail authorities for keeping the detenus in fetters and shifting them to Bahawalpur District Jail. The PBC leaders said that both the detenus had been in prison for 16 months before they were sentenced by the military court. They recalled that a full Bench of the Lahore High Court, in its judgment, had said that under section 382-B CrPC, convicts were entitled to a deduction of the time they had spend in prison during trial from the terms awarded to them. The two arrested lawyers had been deprived of this concession, they added. [Text] [Karachi DAWN in English 13 Sep 84 p 2]

ANTI-DACOIT RIVER FORCE--LARKANA, Sept 19--The Inspector-General of Police, Sind, Agha Saadat Ali Shah, has said that a river force is being established to check activities of dacoits and other anti-social elements, in the province. Talking to newsmen here on Wednesday, he said the river force would be

part of the regular police force and would be provided with modern equipment. The I.G. disclosed that Islamiyat was being introduced as a subject at Shahdadpur Police Training Centre. Replying to a question, he said 137 Patharidars had been arrested from various parts of Sukkur Division during the last two months. [Text] [Karachi DAWN in English 20 Sep 84 p 4]

CASE AGAINST FAZLUR REHMAN--FAISALABAD, Sept 19--The Local police have registered a case against Maulana Fazlur Rehman under MPO 16 and MLR 13/33 on the charge of delivering an objectionable speech and inciting the public against the present regime on March 3, at Peoples Colony No. 2, Faisalabad. [Text] [Karachi DAWN in English 20 Sep 84 p 10]

CSO: 4600/03

END